

Pleasure Boat International Resource Guide

A Reference for U.S. Exporters

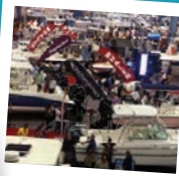
2014 Edition



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Pleasure Boat International Resource Guide

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2014 Edition



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Introduction and Overview

The Global Marine Technology Team of the U.S. Department of Commerce's International Trade Administration is pleased to bring to you this Pleasure Boat International Resource Guide, filled with valuable information about key international market opportunities to support your exporting goals. We work closely with the National Marine Manufacturers Association (NMMA), an International Trade Administration Strategic Partner, to promote U.S. pleasure boat exports. We greatly appreciate NMMA's partnership with us to bring you this publication.

The country briefs in this Resource Guide highlight some of the major global markets for recreational marine craft, parts, and accessories. U.S. exports of recreational marine craft and accessories totaled USD 2.3 billion in 2012, accounting for an estimated 31 percent of all US manufacturing in this industry. The United States is also a net exporter in this industry, exporting USD 446 million more than it imported. The U.S. recreational marine market makes up approximately 75 percent of the entire world market for these products. Servicing this market, U.S. firms provide high-quality products and benefit from production efficiencies that make them competitive worldwide. A global market overview of the most important countries and growth rates for U.S. exports in this industry is provided in the chart on the page 5.

Recognizing the exporting strength and industry importance of the U.S. recreational marine craft, part and accessory industry, the U.S. Government included it in the Recreational Transportation priority sector of the National Export Initiative (NEI), an initiative to help U.S. exporters increase their sales overseas in these sectors and in priority foreign markets. This publication is an example of that initiative to help recreational marine industry manufacturers find information on overseas marine markets.

To help your company take advantage of the many international sales opportunities outlined in this Resource Guide, the U.S. Department of Commerce's International Trade Administration provides a U.S. Commercial Service global network of more than 1400 trade professionals throughout the United States and in U.S. Embassies and Consulates in more than 70 countries. Whether you are seeking your first international sale or are expanding into additional markets, we offer the expertise you need to grow your global business.

We hope that this introduction and the international market information included in the Resource Guide peak your interest in exporting and using the export promotion services of the U.S. Commercial Service.

The Marine Technology Team works directly with the marine industry to provide U.S. companies with information needed to grow their business through global sales. To learn more about how we can help you, please visit export.gov/industry/marine.

For direct exporting assistance, please contact your closest U.S. Commercial Service office. A list of U.S. Commercial Service Marine Technology Team Members appears at the back of this Resource Guide, and a comprehensive list of all offices is available at export.gov/usoffices.

For questions about overseas barriers you may be confronting, certification requirements, and industry statistics, please contact Industry Analyst John Vanderwolf at john.vanderwolf@trade.gov.

The definition for this industry may not be the same for each market brief, as industry statistics may or may not be comparable to other country statistics. Typically, the data in the country briefing may only include recreational craft as parts and accessory data is difficult to find.

All statistics, unless otherwise noted, courtesy of the CIA World Factbook, except coastline, which is courtesy of the World Resources Institute.

What Can the U.S. Commercial Service Do for You?

The U.S. Commercial Service (CS) is the export promotion arm of the U.S. Department of Commerce's International Trade Administration. Our global network of more than 1400 trade professionals is located throughout the United States and in U.S. Embassies and Consulates in more than 70 countries. Whether you are looking to make your first international sale or expand to additional markets, we offer the expertise you need to connect with lucrative opportunities to increase your bottom line.

Market Intelligence

- Analyze market potential and foreign competitors
- Obtain useful information on best prospects, financing, laws, and cultural issues
- Conduct background checks on potential buyers and distributors

Business Matchmaking

- Connect with pre-screened potential partners
- Promote your product or service to prospective buyers at trade events worldwide
- Meet with international industry and government decision makers in your target market(s)

Trade Counseling

- Develop effective market entry and sales strategies
- Understand export documentation requirements and import regulations of foreign markets
- Navigate U.S. government export controls, compliance, and trade financing options

Commercial Diplomacy

- Overcome trade obstacles to successfully enter international markets
- Benefit from coordinated U.S. government engagement with foreign governments to protect U.S. business interests
- Access U.S. government trade advocacy for your foreign government procurement bids



US Exports (Chart)

Recreational Marine Craft, Parts, and Accessories, as defined by the Harmonized Tariff System.

Top 20 Markets by FAS Value							
(Annual + Year-To-Date Data from January–October, USD Thousands)							
Country	2009	2010	2011	2012	2012 YTD	2013 YTD	Change YTD 2012–13
Canada	477,544	601,814	637,418	690,246	588,933	617,224	4.80%
Australia	116,350	240,985	249,639	196,722	155,412	157,462	1.30%
Mexico	76,527	97,573	84,595	113,357	92,289	80,400	-12.90%
Belgium	81,806	104,003	92,086	106,472	93,319	97,328	4.30%
Brazil	37,789	66,131	72,240	84,255	65,144	58,004	-11.00%
Japan	25,826	25,055	35,088	61,033	49,111	36,531	-25.60%
Italy	85,007	92,861	70,197	53,814	50,244	51,065	1.60%
Germany	46,248	54,879	51,137	49,880	43,518	37,546	-13.70%
UAE	47,409	38,627	29,916	45,905	33,145	29,826	-10.00%
Venezuela	30,261	32,992	34,544	41,126	32,344	22,839	-29.40%
Costa Rica	26,820	31,653	33,560	40,027	10,323	8,998	-12.80%
China	13,029	24,104	36,860	37,369	34,796	37,290	7.20%
Argentina	10,789	28,867	24,504	36,275	23,346	22,788	-2.40%
New Zealand	15,463	19,132	24,288	35,849	17,022	22,281	30.90%
Netherlands	46,917	49,105	57,220	35,664	31,003	27,434	-11.50%
Sint Maarten	0	0	13,626	33,099	27,821	17,114	-38.50%
Russia	14,033	12,862	17,974	30,673	29,770	24,337	-18.20%
Spain	27,260	34,587	41,467	29,616	25,722	40,794	58.60%
UK	56,101	44,969	38,645	29,589	25,696	19,604	-23.70%
France	30,606	34,192	29,383	26,671	23,972	23,317	-2.70%
Subtotal	1,265,785	1,634,388	1,674,388	1,777,643	1,452,929	1,432,182	-1.40%
All Other	507,807	559,427	518,637	492,761	386,067	370,623	-4.00%
World Total	1,773,592	2,193,815	2,193,024	2,270,404	1,838,996	1,802,805	-2.00%

Source: Compiled from tariff and trade data from the U.S. Department of Commerce and the U.S. International Trade Commission.



Argentina

Overview

Argentina's pleasure boats, ship building and boating equipment industry is flourishing after over a decade of stagnation. The industry thrived from the 1960's until the 1980's. In the 1990's, the exchange rate favored imports of boats, equipment, and parts at very competitive prices. As a result, local industries had to either close down or diversify into other lines of business in order to survive.

The Argentine boating industry is once again growing due to a more competitive Argentine Peso value, competitive costs of labor, high quality of final products, and most importantly, increasing demand from international markets for Argentine products. This scenario represents a window of opportunity for U.S. suppliers providing equipment, accessories and services that are not produced locally. Industry projections suggest that the market will grow 10 percent in 2014 over 2013.

Market

Products with the highest sales potential include: small fishing boats, inboard/outboard engines, outboard engines, global positioning system receivers, marine communications, direct dial marine communication systems, fluxgate compasses, electronic charting products, versatile screen displays, and interfacing. Other types of less sophisticated boat parts, equipment, and supplies also enjoy a strong sales potential, especially for local motor and sailboat builders. During the 90s, the market for new yachts grew significantly. Currently, owners seek innovative and cost effective products to update the vessels' decoration, mechanics and electronics. This is an interesting niche, particularly given the nonexistence of local products.

Statistics

Capital: Buenos Aires
Population: 42,610,981 (est. 2013)
GDP (est.): USD 475 billion (2012)
Currency: Peso (ARS)
Area (total): 2,780,400 km²
(land): 2,736,690 km²
(water): 43,710 km²
Coastline: 8,397 km
Language: Spanish

Contact

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The equipment and accessories market is expected to continue to grow due to the ongoing development of new nautical gated communities. This trend represents a strategy of businesspeople within the boating industry to attract new clients who appreciate the combination of facilities and conveniences offered by country clubs, gated communities and marinas. These new developments further consolidate the leading role of the Greater Buenos Aires area in the water sports market.

The Argentine nautical market is made up mainly of cruisers and motorboats. Local builders dominate the market for sailboats and accordingly have the largest share of this segment of the market. Argentina has world-class sailboat designers. One outstanding example is Mr. German Frers, who is regarded as one of the top five sailboat designers in the world. U.S. motorboats and sailing accessories enjoy an excellent reputation and are in demand for their high quality, style, superior technology, strong performance and endurance. Industry sources suggest that the United States could increase its market share at the pace of the international demand for Argentine pleasure boats, which has increased by approximately 20 percent in the last three years.

Competitors

In 2012, the United States ranked among the top three market suppliers with an approximate 25 percent market share. Other competitor countries include Japan, Germany, France and Italy.

Market Entry

It is key to identify a solid local player with reputable market presence. Approximately 85 percent of manufacturing and retail distribution takes place within a 20-mile radius of the City of Buenos Aires and its coastline suburbs. The players are highly concentrated, as well as the critical universe of end users. U.S. suppliers should consider a cultural adaptation of product literature into Spanish and seek to develop a long-term relationship with local partners. Personal relationships are vital to fruitful business. Specialized publications, such as *Nautica* and *Weekend* magazines, promote U.S. products. Specialty cable TV shows, such as *El Garage*—*Nautica* TV is also a suggested marketing channel for U.S. products.

Trade Events

Salon Nautico Argentina

April 4–13, 2014 (biannual) • Buenos Aires, Argentina • cacel.com.ar

Associations

- CACEL (National Association of Nautical Companies), cacel.com.ar

Belgium

Overview

The Belgian maritime pleasure industry market is relatively small (100–150 businesses) and is mainly made up of small and medium-sized enterprises (97 percent of businesses are SMEs). The pleasure boat industry is still recovering from the recent economic crisis.

The boating market in Belgium is dominated by imported boats. Canada, the United States, and China are the most important exporting countries to Belgium. In general, most of China's exports are inflatable boats, the United States is exporting sport boats and motor yachts with and without outboard motor mostly shorter than 7.5 m and most of Canada's exports are in the larger (larger than 7.5 m and more than 100 kg) segment with an outboard motor.

As confirmed by studies related to pleasure crafts (excluding inflatable boats under 100 kg) and sail boats, Belgium is a transit country. Most of the crafts are coming from Canada, the United States, and China, and are heading for France, the Netherlands and Germany.

Market

In 2010, the government licensed around 5,000 new boats. Most of those were motorized crafts. Boats that navigate on the sea don't need a license plate but do need a permit that must be renewed every five years. In 2010 the government wrote more than 6000 permissions, 2500 concerned new crafts and around 2000 of those are estimated motorized crafts (jet-ski & motorboats).

Statistics

Capital: Brussels
Population: 10,444,268 (est. 2013)
GDP: (est.) USD 484.7 billion (2012)
Currency: Euro (€)
Area (total): 30,528 km²
(land): 30,278 km²
(water): 250 km²
Coastline: 76 km
Language: French, Dutch, German

Contact

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The market for used boats/second-hand yachts shows stronger interest. Carefully maintained secondhand boats are becoming more attractive for newcomers, as well as price sensitive customers. This trend is also benefiting companies specializing in boat repair, maintenance, and services, especially in a climate of economic stress and decreasing prices for boats, as investment in boats allows owners to retain the value of their boats.

Top 10 Import Sources, 2004–09	
Country	# Boats
Canada	9933
United States	9767
China	4128
France	2550
Denmark	2401
Portugal	733
The Netherlands	550
Spain	439
Tunis	416
Italy	370

Top 10 Export Destinations, 2004–09	
Country	# Boats
France	7819
The Netherlands	3846
Germany	3144
United Kingdom	2628
Spain	1666
Italy	1508
Portugal	1229
Sri Lanka	729
Greece	535
Hungary	412

Trade Events

Belgian Boat Show

February 8–16, 2014 • Gent, Belgium • belgianboatshow.be

CapOcaz—Nieuwpoort International Boat Show

October 2014 • Nieuwpoort, Belgium • capokaz.be

Associations

- Nautibel, Belgian Industry Association
- Nautiv, Flemish Industry Association
- European Boating Industry Association



Canada

Overview

The Canadian pleasure boat sector contributed CAD 5 billion to Canada's national economy, and generated approximately CAD 8.9 billion in total revenues in 2012. During that same year, the core pleasure boat industry created close to 67,000 jobs (valued at CAD 2.6 billion in annual salaries), and contributed CAD 774 million in annual taxes and subsidies to Canada's economy.

The pleasure boating industry is comprised of 4,400 marine companies providing goods and services to Canadian and International boaters. The sector's main niches include manufacturing of boats (including state-of-the-art fishing boats, pleasure yachts, and catamarans) and accessories, dealers, marinas, repair and maintenance shops, schools, boat clubs, amongst others. Industries that also benefit by the sector include fishing, outfitters, and tourism. According to the National Marine Manufacturers Association (NMMA), there are 4.3 million recreational boats in Canada, with nearly 12.25 million Canadians (or 35 percent of the country's population) who went boating in 2012.

Market

The National Marine Manufacturers Association (NMMA) of Canada represents the interests of the Canadian recreational boating industry. NMMA's recent statistics indicate that in 2012 more than one in five Canadian households owned at least one recreational boat, while just over one-third participated in boating. Ontario leads the way with 40 percent of residents participating in boating, followed by British Columbia at close to 20 percent. Moreover, a recent study conducted in Canada reveals how boating is no longer considered a recreational activity of the

Statistics

Capital: Ottawa
Population: 35.2 million
GDP: USD 1.88 trillion
Currency: Canadian Dollar (CAD)
Area (total): 9,984,670 km²
(land): 9,093,507 km²
(water): 891,163 km²
Coastline: 265,523 km
Language: English, French

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rich. The average boater in Canada ranges between the ages of 31–49, has children at home, and has a household income of CAD 4,000–99,000 a year, which means, boating has become a solid middle class activity.

Current Demand

Sales of recreational boats in Canada increased 13 percent (CAD 2 billion) in 2012 after several years of a slow economy, while used boat sales rose 17 percent (CAD 935 million). A shift in consumer choices shows aluminium pontoon boats (23 percent) and sport jet boats (13 percent) as the biggest sellers in the recreational market, as opposed to the more traditional fiberglass inboard product.

Competitors

Canada continues to be the United States' best export market of pleasure boat products; however, economic growth in the Asia Pacific region in recent years also makes Canada an attractive target market for Asian boat exporters. Additionally, Canada signed an agreement in principle of the Comprehensive Economic and Trade Agreement (CETA) with the European Union in 2013, so Canada's two-way trade of recreational boats will experience changes as the European Union looks to increase exports from this sector to Canada. Similarly, Canadian manufacturers, dealers, brokers, and other service providers look to have a strong presence in Europe. Due to a short boating season, Canada hopes examples like CETA will help this sector become more export-oriented.

Market Entry

All recreational boats in Canada must meet Transport Canada construction standards. To learn about these regulations, please visit bit.ly/K36XwJ.

Operators and users of pleasure boats in Canada are required to comply with Transport Canada's regulations, standards, programs, policies, and procedures related to the Canadian Vessel Industry, which includes the pleasure craft and small vessels sub-sector. Transport Canada's Office of Boating Safety works closely with the recreational boating community, delivering prevention-based programs to reduce the safety risks and environmental impact of boating across Canada.

Examples of the various requirements to operate pleasure craft in Canada includes a requirement by end users of vessels powered by 10 horsepower (7.5 kW) or more engines to have a pleasure craft license. Operators of pleasure craft are mandated under the "National Pleasure Craft Operator Competency Program" to carry proof of competency on board for safe recreational boating.

Additional safety information is available at bit.ly/1IWKPCz.

CS Canada recommends entering the Canadian pleasure boat market through a combination of use of agents and/or distributors of equipment and supplies. Visiting to, and establishing a distribution presence in Canada, through established wholesalers, exclusive distributors, or by manufacturers' sales, can be crucial to long-term market success. Already established major U.S. retailers, including Target Corp., Wal-Mart, and the Tanger Outlet Malls, provide additional options to expand your presence in Canada.

Trade Events

The Toronto International Boat Show

January • Toronto, ON, Canada • torontoboatshow.com

The Vancouver International Boat Show

January • Vancouver, BC, Canada • vancouverboatshow.ca

Mid-Canada Boat Show

February 27–March 2, 2014 • midcanadaboatshow.com

Associations

- NMMA Canada, nmma.ca
- BC Marines Trade Association, bcmta.com
- Mid-Canada Marine and Powersports Dealers Association, mmpda.ca
- Canadian Safe Boating Council, csbc.ca
- Atlantic Marine Trade Association, boatinginatlanticcanada.com
- Association Maritime du Québec (AMQ), nautismequebec.com



China

Overview

China represents a large and untapped market for the pleasure yachting industry. Yachting is predicted to become a popular recreational activity and will expand rapidly in the coming years. The 2009–10 China Yachting Industry Report, released by the China Communication and Transportation Association (CCTA) Cruise & Yacht Industry Sub-association, claims that China has entered a post-auto era and with a rising middle-class and that the yachting industry will experience rapid growth. The main restriction on this growth is the 43 percent tax on imported yachts. The market will grow first through yacht rentals as a large section China's growing middle class cannot yet afford to purchase high-end luxury boats. Additionally, the Chinese government is working at various administrative levels to foster yachting as a complement to tourism.

Meanwhile, the Chinese central government has declared that Hainan Island in South China will be developed as an International Tourism Destination, a positive step for the yachting industry.

These recent policy developments by the Chinese government will have a direct impact on the Chinese yacht industry. The Chinese yacht economy will gradually improve as the yacht industry becomes more familiar to the Chinese market.

In 2012, the Chinese yacht market was about CNY 1.75 billion (USD 282 million) with an annual growth rate of about 10 percent. The market shows bright prospects; yacht sport will become a major choice for entertainment for the rising Chinese middle class. Marine yacht sport will be a new highlight in marine tourism and individualized consumption.

Statistics

Capital: Beijing
Population: 1.3496 billion (est. 2013)
GDP: USD 8.227 trillion
Currency: Renminbi (RMB)
Area (total): 9,596,961 km²
(land): 9,569,901 km²
(water): 27,060 km²
Coastline: 30,017 km
Language: Mandarin Chinese

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Market

Current Demand

China has a mainland coastline and an island coastline of 18 thousand kilometers and 14 thousand kilometers respectively.

The developed area is concentrated mainly in the southeast of China, where there are abundant water resources such as inland rivers, lakes and offshore waters. The GDP per capita in coastal developed provinces like Guangdong achieved USD 6,440, and that in first-tier cities such as Beijing, Shanghai, Guangzhou and Shenzhen has reached USD 10,000, which all exceed the threshold for rapid growth of yacht consumption.

Guangdong province in South China has both the highest GDP as well as the most disposable income per citizen of any province in China. The number of booming cities along the Pearl River Delta and the South China Sea indicates a huge consumer base. Cities such as Zhuhai and Haikou in South China have made improvements on marina infrastructure and yacht management. These two cities are both predicted to be leading port cities in implementing international standards and yacht marketing.

Currently, yacht manufacturing industry is still in its initial stages of development. According to the 2010–12 Yacht Industry Report released by China Communication and Transportation Association (CCTA), there are over 37 boat manufacturers in China.

International yacht brands dominate the medium and high-end yacht market in China, such as Ferretti (Italy), Azimut (Italy), Sunseeker (UK), Princess (UK), and Beneteau (France). These luxury boats are seen as a status symbol for the rich and successful, so Chinese buyers are willing to buy imported yachts. Enterprises including Cheoy LEE, Xiamen Tangrong, and Jet Tern Marine primarily focus on export business. At present, only a few local yacht manufacturers concentrate their efforts on developing the domestic market, which include Sunbird and Bestway. Most of the Chinese boats manufacturers focus on medium and low-end yacht market.

The government is responding to the growing popularity of yachts by implementing inspection regulations, opening public waterways, and producing boat operator licenses. The first comprehensive set of yachting industry regulations passed in January 2009 and was a mixed experience for the industry; while it improved access to waterways and adopted nationwide licensing, a heavy luxury tax was imposed on imports. Demand for these U.S. manufactured high-end products has great potential. China is expected to grow a “culture of boating,” and it requires U.S. know-how to do so. As most of the yachts purchased in the United States and European market are small- and medium-sized boats valued at less than USD 50,000, yachting has the potential to be an affordable pastime for the middle class.

Market Data

Currently China has 57 officially registered yacht clubs and marinas with around 600 berths. They are mainly concentrated in Yangzi River Delta and accounted 42 percent of the national total. The high-end and luxurious clubs are mainly located in Guangdong and Hainan. The widespread marina projects taking place in China signal the future advancement of the industry.

In China, super yachts imports has dramatically increased and dominated the total imports (44.6 percent). Estimates indicate that the imports of super yachts will increase 20 percent in 2013 and 40 percent in 2014, with a value of USD 65 million.

Although the growth seen in the above tables is impressive, the numbers may actually be larger because of the high number of yachts purchased by Chinese buyers that are kept in Hong Kong. Due to the import taxes associated with yacht ownership within mainland China, many consumers prefer to keep their yachts in Hong Kong, utilizing the mature marina infrastructure yacht management.

The main players which export yachts to China include Italy, the UK, the United States, France, Canada and Australia. In 2012, the top three exporters of yachts to China were Italy, the UK, and the United States.

The government has shown clear interest in the yachting industry, demonstrated by the more than 50 infrastructure projects set to take place. Additionally, these locations show good potential because they will require U.S. expertise.

Currently, the Chinese yacht sector is far behind in innovation and creative design due to a lack of human capital specialized in this area. Yacht design focuses on speed and appearance, and also uses different material from that of other boats. U.S. expertise is important to increase the quality and efficiency of Chinese yachts.

Shandong and Guangdong provinces have the highest concentration of shipyards and are where most yachts are built in China.

Best Prospects

Large infrastructure projects are being launched in Haikou in Hainan province and Zhuhai in Guangdong province. In January 2010, the State Council requested that Hainan Island in South China take the lead on managing the yachting industry and arranging service for foreign yachts. The State Council further encouraged Hainan yachting industry development by announcing a plan to make the island an international tourism destination. Hainan is planning to build a service center for super yachts over 30 feet; the service center will aim to provide renovation service for about 70–100 super yachts.

The coastal city of Zhuhai in South China is to become the largest manufacturing center for yachts and yacht-related products. The government has placed special emphasis on the yachting industry; the Pingsha Yacht Industrial Zone hosts more than 20 foreign yacht manufacturers. The Zhuhai municipal government also has the distinction of creating a dual registration system for ships registered in Hong Kong or Macao. This would allow ships from either area to dock at the other without having to apply for approval.

These yacht development areas will soon be the heart of the yachting industry in China and will require U.S. know-how in setting up clubs and marinas. The super yacht industry is untapped and could represent a niche area for U.S. exporters. Chinese yacht manufacturers are quite competitive in producing small to medium-sized high quality yachts (<21m), but cannot compete in the super yacht market because of the technique required for producing high-end finishes. The super yachts that are produced are exported to foreign countries.

While the Chinese market is growing and purchasing power is increasing, there is still a considerable leap before the majority of the population can afford the luxury yachts currently popularized in China. Although the saving rate in China is considerably higher than in other countries, the relatively slow growth of yacht imports indicates that a possible solution is for distributors to sell lower-priced boats and high-quality used boats targeted towards younger and more active middle to higher income clients. This may not create an immediate jump in the value of yacht imports, but the increase of pleasure boats in Chinese waters will promote a yachting culture and establish a market.

Guangdong province is China's largest with a population of 121 million. In addition to a thriving economy and the highest rate of disposable income in the country, it includes the cities of Guangzhou, Shenzhen, and Zhuhai, which are all instrumental to the Chinese yachting industry. Boat ownership and registration is much more streamlined due to the long maritime tradition in these port cities. These cities' waterside locations and warmer climates create the perfect environment for U.S. boat manufacturers to showcase and market their products.

Competitors

The primary yacht companies that are present in China include:

- Brunswick (U.S.)
- Cheoy Lee (HK)
- Blue Wave (IT)
- Blue Bay (U.S.)
- Kingship (HK)
- Norsemen (U.S.)
- Poly Marine (HK)
- Jet-Tern (HK)
- Blunauta (IT)
- Kaday (JP)
- Raffles (SG)
- Double Happiness (CN)
- Seahorse Marine (U.S.)

Currently, about 30 distributors represent 85 foreign yacht companies. Additionally, there are 36 foreign companies with direct presence, including wholly foreign-owned enterprises (WFOEs) and joint ventures (JVs). Guangzhou and Shenzhen in South China are popular locations for distributors and they usually represent all of South China with more than eight distributors.

The top 10 domestic boat builders in China include:

- Xianli (Zhuhai) Boat Manufacturing
- Zhuhai Sunbird Yachts Manufacturing
- Zhuhai Jieteng Ship Building
- Zhuhai Jianglong Boat Manufacturing
- Foshan Baoda Ship Engineering
- Zhuhai Shenlong Ship Building
- Shanghai Double Happy Yacht
- Changzhou Glass Steel Ship Building
- Shanghai Baodao Yacht
- Wuxi East High Speed Boat Development

Six of 10 are located in Guangdong province.

Market Entry

The yacht industry exists almost exclusively in coastal provinces, most prominently in Guangdong, Shandong, Shanghai, Zhejiang, and Jiangsu. The demand for yachts from Chinese cities will also be centered in areas such as Guangzhou and Shenzhen. U.S. companies must maintain a long-term vision and not expect quick profits because although the market is still in the earliest stages of development, it offers huge potential.

There are four methods to market entry for this industry: using distributors, setting up a representative office, setting up a joint venture, or creating a wholly owned foreign enterprise for manufacturing. The most cost-effective methods of market entry would probably be to use distributors or set up a representative office. Using distributors requires no direct investment and is not risky, allowing the U.S. company to utilize the distributor's existing network to sell products. These results are not certain because the absence of an effective marketing branch which will adversely affect sales. Depending on the distributor experience and contacts, however, this could be a very profitable option. Opening a representative office in China would allow the parent company to manage the distributors more closely and gain knowledge about the local market, thereby giving greater consumer access. Additionally, this gradual approach to establish brand presence will ensure a suitable market exists without expending an excessive amount of investment.

Eventually, a wholly foreign-owned enterprise (WFOE) or joint venture (JV) for manufacturing would greatly reduce production costs. Although these options represent significantly higher risks and investment, returns could be much larger and presence in the Chinese yachting market would surely follow. About 60 percent of foreign manufacturers in the Chinese yachting

market are joint ventures. Although forming joint ventures allows quick access to facilities, there is risk of encountering problems with a partner and losing control of the company over the long term. Creating a manufacturing WFOE, however, gives the company full control over operations and long run sustainability, although there are higher costs associated with setting up an entirely new business. Currently, with the government setting up industrial zones for yacht manufacturing, setting up manufacturing WFOEs could be the easier route.

Trade Events

China International Boat Show

April 10–13 • boatshowchina.com

China's largest and most comprehensive boat show. Attracts manufacturers from around the world.

Shenzhen International Boat Show (SIBEX)

October • Shenzhen, China • sibex.net.cn



Colombia

Overview

The Republic of Colombia is the fourth largest economy in Latin America, and has the third largest population. It is the only country in South America with two coasts, on the Pacific Ocean and the Caribbean Sea, which provides tactical shipping advantages in today's global market. Aided by major security improvements, steady economic growth, and moderate inflation, Colombia has expanded its free market economy with major commercial and investment ties to the United States, Europe, Asia and Latin America. Colombia is the third largest market for U.S. exports in Latin America.

In the eyes of U.S. exporters, Colombia may suffer more from the perceptions of the past than the realities of the present. The past 10 years have brought extraordinary change to the country in terms of economic development and improvements in the national safety and security situation. The political stability, growing middle class, and improved security has created an economic boom in Colombia, with the conservative lending practices by Colombia's financial institutions decreasing the impact of the global economic crisis.

Key 2012 economic indicators demonstrating the positive long-term effect of Colombia's political and economic policies include: GDP growth of 4.0 percent, foreign direct investment of USD 15.8 billion, 48 percent of the 2012 amount was attributable to the extractive industries; and a rise in industrial production of 5.1 percent in 2012 compared to 2011 figures. The United States is Colombia's largest trading partner and Colombia is the 22nd largest market for U.S. exports in 2012. U.S. exports to Colombia in 2012 topped USD 16 billion, an increase of more than 14 percent compared to the previous year.

On May 15, 2012, the U.S.-Colombia Free Trade agreement entered into force, resulting in 80 percent of U.S. exports of consumer and industrial products to Colombia entering duty-free immediately upon entry into force, with remaining

Statistics

Capital: Bogotá
Population: 45,745,783 (est. 2013)
GDP (est.): USD 366 billion (2012)
Currency: Colombian Peso
Area (total): 1,138,910 km²
(land): 1,038,700 km²
(water): 100,210 km²
Coastline: 5,875 km
Language: Spanish

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tariffs phased out over 10 years. Other provisions include strong protection for U.S. investors (legal stability), expanded access to service markets, greater intellectual property rights protection, market access for remanufactured goods, increased transparency and improved dispute settlement mechanisms (arbitration).

Currently, the country has 26 marine docks and marinas with a total docking capacity of 2,700 boats in the Caribbean Sea, between the city of Santa Marta and the Morrosquillo Gulf, but no marinas are yet available on the Pacific Ocean. The government is currently developing plans for the construction of several marinas and associated infrastructure with the objective of attracting marine tourism in several location in the Caribbean Sea, including San Andrés Island, Santa Marta, and Cartagena, and expand the number of travelers that look to enjoy activities such as snorkeling, fishing, water sports, and the like and generate a demand for new and more capable boats than the ones currently in use.

Colombia has a total coastline of 5,875 kilometers, as well as large rivers (including the Magdalena, Cauca, Atrato, Orinoco, and Amazonas) with a potential navigable length of over 18,200 kilometers, and more than 1,800 lakes and reservoirs. However, its boating industry is nascent and the Colombian government is currently working to develop a Nautical Tourism Strategic Plan aimed at attracting boat owners to visit and spend time on Colombian coasts, rivers and lakes.

Market

Colombia has a registry of only 7,336 boats, about 6,100 on the Caribbean coast (41.5 percent registered in Cartagena) with the remainder in the Pacific Ocean. Most of the registered boats (4,916) are of less than 24 feet (8 m long), and only 15.7 percent of the boats are larger than 33 feet (10 m).

The Colombian Maritime Directorate (DIMAR) estimates some 7,780 foreign boats visited Colombian coasts (73.3 percent sailboats) with two main destinations: the Caribbean cities of Cartagena and Santa Marta, and San Andrés and Providencia Islands. Over 60 percent of these transits originated from Panama, followed by sailors from Aruba, Bonaire and Curaçao.

Colombia has several key advantages for those interested in nautical tourism as its coasts are far away from the normal hurricane-prone areas, but are close to the main Caribbean navigation routes, with mostly U.S. and European-registered boats (sail and motor boats).

Trade Events

Cartagena Boat Show

March 22–24, 2014 • Cartagena, Colombia • bit.ly/1koPQ8R

The second Cartagena Boat Show will include a U.S. Pavilion, recruited by the National Marine Manufacturer's Association (NMMMA).



Croatia

Overview

Despite the global economic slowdown, demand for recreational boats and equipment has grown steadily in Croatia. Croatia has a huge potential in nautical tourism, and boat chartering has been among the fastest growing industry sectors. Most of the boats and equipment are imported from the European Union and the United States, but local production is becoming more competitive. The overall size of the market is estimated at USD 150 million annually. With no major tariff or non-tariff market entry barriers, and sufficient numbers of capable local distributors specialized in recreational boats and/or equipment that would be effective partners, the opportunities for U.S. exporters are significant.

Croatian Recreational Boating Market, 2011–14

(USD Thousands)	2011	2012	2013 (est.)	2014 (proj.)
Total Market Size	150,000	160,000	180,000	200,000
Total Local Production	not available	40,000	55,000	60,000
Total Exports	20,000	30,000	40,000	50,000
Total Imports	130,000	135,000	160,000	180,000
Imports from the U.S.	15,000	20,000	25,000	30,000

Source: Local estimates.

Statistics

Capital: Zagreb
Population: 4,475,611 (est. 2013)
GDP (est.): USD 57.1 billion (2012)
Currency: Croatian kuna
Area (total): 56,594 km²
(land): 55,974 km²
(water): 620 km²
Coastline: 6,268 km
Language: Croatian

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Market

Subsector Best Prospects

- Motorboats (up to 20 feet) and parts
- Luxury motorboats (30 feet and up) and parts
- Motorboat maintenance and repair
- Marina services and equipment,
- Marina environmental protection equipment

Opportunities

As Croatia enforces the environmental protection standards required by the European Union, environmental protection equipment at marinas becomes increasingly important. Boat building has a long tradition in Croatia but repair and maintenance of modern luxury motorboats, which are increasingly the most common types of craft in Croatian marinas, is not a strength. Supply of modern tools and training for these types of services as well as general marina operations represent a key opportunity.

Associations

- Ministry of Maritime Affairs, Transport and Infrastructure, mmpi.hr
- Croatian Register of Shipping, wmv.crs.hr

Czech Republic

Overview

Though the Czech Republic is a landlocked country, there are many natural and artificial water resources such as lakes, ponds, and dams. Outdoor activities and water sports are quite popular among the Czech population so the bodies of water are frequently used for yachting, windsurfing and other water sports, all of which have a long tradition within the country. The success of Czech Olympians in London 2012 has helped to attract new attention, especially to kayaking and rowing. The peak season lasts during the 9–10 summer weeks.

Market

The boat market is small but growing. Currently, there are almost 6,000 boats in the country. The trend for boat rentals in the Czech Republic as well as abroad is strong. Despite the financial crisis, there is an increasing interest in water sports—particularly yachting and diving.

There is a lively boat manufacturing sector in the Czech Republic, focusing mainly on smaller boats, kayaks, yachts, and accessories. Market demand for advanced technologies is mostly satisfied by imports. The UK, Poland, China, the United States, and Italy hold strong positions.

Statistics

Capital: Prague
Population: 10,162,921 (est. 2013)
GDP (est.): USD 196.1 billion (2012)
Currency: Czech Crown (CZK)
Area (total): 78,867 km²
(land): 77,247 km²
(water): 1,620 km²
Coastline: 0 km (landlocked)
Language: Czech

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Imports of Ships & Floating Structures, 2012 (USD Thousands)	
Type	Quantity
Transport ships & boats, cruise ships etc. (HS 8901)	954
Yachts, pleasure & sports boats (HS 8903)	7,830
Other vessels, including warships & lifeboats (HS 8906)	52
Other floating structures e.g. rafts, tanks, buoys (HS 8907)	581
Vessels & floating structures for scrapping (HS 8908)	1

Additional Details

- 1,620 km² of total inland water area.
- 76,000 km of watercourses.
- More than 40 companies offering boat charter services.
- 3,500 boat driving license holders.

Trade Events

Boats on Water/Lode na vode

April 24–27, 2014 • Prague, Czech Republic • lodenavode.cz

Associations

- Association of Marine Equipment Suppliers, aplcz.cz
- Ministry of Industry and Trade, mpo.cz
- Ministry of Transport, mdcr.cz
- State Navigation Office, spspraha.cz



Denmark

Overview

The Danish leisure boating market is a mature market with well-established related industries. As a country with a history of growth through maritime activities, the Danish leisure boating market can provide a gateway for some U.S. firms into the Scandinavian market. However, with several Danish and foreign firms present in the market, the competition for a share of the relatively small market can be quite high.

Market

Denmark has been largely built, and continues to thrive, off of its maritime activities. One of the primary reasons is the 5,316 km of coastline surrounding 43,094 km² of primarily island landmass. One of the historical effects of this geography was a thriving herring industry off the coast of Zealand, which helped provide the commerce and flow of money which helped the city of Copenhagen grow and become the nation's capital.

Today the maritime activities continue to fuel Copenhagen and Denmark's growth. For example, Denmark is host to one of the world's largest shipping companies, Mærsk Group, which annually brings in over USD 28 billion in revenues. Apart from the flagship company Mærsk, the Danish shipping industry encompasses over 300 individual shipping firms; the top 25, excluding Mærsk, bring in over USD 15 billion in annual revenues.

Statistics

Capital: Copenhagen
Population: 5,556,452 (est. 2013.)
GDP (est.): USD 313.6 billion (2012)
Currency: Euro (€)
Area (total): 43,094 km²
 (land): 42,434 km²
 (water): 660 km²
Coastline: 5,316 km
Language: Danish

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The Danish leisure boating market is a growing industry as well. As shown by the numbers below, the Danish leisure boating industry is quite big in relation to the small size of the country, which has a population of 5 million people.

- Leisure boats in Danish Harbors: 57,000
- Sail powered: 57 percent
- Motor powered: 43 percent
- People on waiting list for harbor spaces: 12,500
- Harbors in Denmark 320
- Number of sailing clubs: 250
- Leisure/sporting boats producers: 30
- Boat rental firms: 50
- Repair/maintenance firms: 150

The numbers show both an active and growing market for leisure boats. However, due to the number of existing manufacturers, distributors, maintenance, and rental firms, the market is also heavily competitive. As a result, firms wishing to invest in the market should be aware of the investment needs in order to penetrate the market.

Key Buyers

Palby Marine A/S, a wholesaler that sells equipment to the entire maritime sector, is one of the key distributors on the Danish market. The firm sells a diverse portfolio of maritime equipment from a number of international suppliers.

Sea-Point Marine Equipment A/S also represents one of the key distributors in the Danish maritime industry. The firm acts as an umbrella firm for a number of smaller distributors around Denmark including webshops and physical shops located around harbors and harbor towns. Their broad product portfolio presents U.S. suppliers with opportunities to enter the market.

Competitors

X-yachts A/S is one of the larger producers of leisure boats in the Danish market. The firm produces a range of yachts which vary in their intended use, from large long sailing cruisers, to the small family Sunday trip. With over 150 employees, and a 2014 “yacht of the year” nominee, X-yachts is one of the key manufacturers in the yacht market.

Nordship Yachts ApS is another example of a key manufacturer of yachts in Denmark. While the firm’s gross profit for 2012 only reached just over USD 900,000, the firm represents Denmark’s manufacturing heritage and degree of specialization. The firm was founded in 1978, and since the 90’s has been focused on custom made deck-saloon yachts.

While the above mentioned are examples of key manufacturers in their respective business models, they only represent a few of the potential types of manufacturers in the Danish market. More specialized manufacturers can be sought out on an individual basis through services provided by the U.S. Commercial Service in Copenhagen.

Best Prospects

One of Denmark's strong points in the sporting world is their nautical sports, and in particular sailing and rowing. As a result, one of the prospective niches in the Danish market could be the supply of professional competitive boats and equipment.

Traditionally, Danes also like to sail for several days from harbor to harbor, creating practical needs in boats and equipment. There may be great market potential in providing what's needed for these types of trips.

Market Entry

The over 30 manufacturers of both leisure boats and sporting boats in Denmark provide ample opportunity for market entry though becoming a supplier to one of these firms. The U.S. Commercial Service in Copenhagen offers a range of services that can help U.S. firms find the right companies to get in contact with.

Another option is partnering with, or selling to, one of the various distributors around Denmark. With over 57,000 leisure boats in the harbors and 12,500 waiting to join the scene, there exists a constant demand for sailing and boating equipment.

The Danish leisure boating industry complies with EU regulations for the most part and business practices are transparent. A more general limitation could be the natural size of the market. With a country of only 5.6 million people, it can often be wise to look into entering the other Scandinavian markets at the same time. Danish consumers are furthermore quite heavily taxed when purchasing boats, which may affect the sales of the most expensive boats and equipment.

Trade Events

Boats in Bella

March 7–9, 2014 • Copenhagen, Denmark

Fredericia Boat Show

February 27–March 1, 2015 • Copenhagen, Denmark • boatshow.dk/en.html

Associations

- Danske Bådejere (Danish Boat Owners Association), danskebaadejere.dk
- Dansk Sejlunion (Danish Sailing Union), sejlsport.dk
- Foreningen for lystbådehavne i Danmark (The Association for Leisure Boat Harbors in Denmark), flidhavne.dk



Egypt

Overview

With a population of over 85 million and a GDP of USD 257 billion, the Egyptian economy is one of the largest in the Middle East and North Africa. Bilateral trade between Egypt and the United States grew to USD 8.48 billion in 2012—a 2 percent increase over 2011. The United States is Egypt's second largest trading partner, and remains the second largest foreign investor in Egypt. Though Egypt is currently experiencing a post-revolution economic slowdown, this should not dissuade companies from looking at the potential that exists in this, the largest Arab country, in the medium- and long-term.

The Egyptian market is characterized by high overall consumption rates and significant income disparities. As a result, there is a customer for every product in Egypt, even if some items are sought by a limited number of Egypt's consumers. Due to the high costs of acquisition and maintenance, pleasure boats fall into a category of goods that has a limited volume of consumers; yet still, the pleasure boat industry has its Egyptian customer base.

Market

Current Market Trends

Before 2005 the leisure boats traded in Egypt were mostly used and very few people could afford them. The year 2005, however, marked a turning point in maritime market dynamics in general, and in the pleasure boat subsector in particular. It was during this year when the Egyptian government shaved off almost 90 percent of the customs duties on all categories of imported ships and boats as part of the customs reform program, reducing the fees levied from 45 percent to 5 percent plus sales tax.

Statistics

Capital: Cairo
Population: 85 million
GDP: USD 257.29 billion
Currency: Egyptian Pound
Area (total): 1,001,450 km²
(land): 995,450 km²
(water): 6,000 km²
Coastline: 5,898 km
Language: Arabic

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The construction of new marinas has further contributed to increased demand for leisure boats. Government and privately owned marinas sprang up rapidly all over the Egyptian coasts in 2006–07. New marina investments included Porto Marina, Wadi El Doum Marina, Ein El Sokhna Marina, Hurgada Marina, and Abu Teig Marina at Red Sea locations, as well as renovation projects that were undertaken at four yacht clubs in Cairo and Alexandria.

Currently, the Egyptian Government is announcing tenders for construction of new marinas in Ras Sedr and Ein El Sokhna on the Red Sea, and private sector companies are also expanding their business by building more privately owned marinas.

Egyptian consumer preferences and lifestyle changes have also contributed to the blossoming of the industry. Greater exposure to western culture through media and satellite channels created an appetite for extravagant items previously unknown. The more affluent the population, the more interest in luxury goods. Accordingly, sales of more expensive boats have exceeded sales of less exclusive options. For example, in 2008 nine teakwood Chris Craft boats were sold for an average price exceeding USD 400,000 per boat without a single advertisement.

Current Demand

The marine industry in Egypt continues to expand. As the number of waterfront developments and marinas increases, it is anticipated that demand for state-of-the-art yachts and leisure boats will continue to grow to fill Egypt's vast coastlines. The international investors who purchase watercraft in Egypt come from a number of countries such as the United Kingdom, France, Germany, and the United States, as well as from newer markets such as Russia and India.

Competitors

As for larger yachts and leisure boats, competitors to U.S. companies will be found in the United Kingdom, Germany, France, and Italy. However, in the market for smaller boats, the United States has no competitors, due to the wide range of U.S. products offered at competitive prices.

Market Entry

The impressive growth of new maritime projects in Egypt, coupled with the tariff reduction on boat imports that occurred in 2005, contributed to a conspicuous increase in demand for leisure boats over the last decade. Both factors interplayed to draw more local and international customers into the emerging market. Key marine developments, including the Sahl Hasheesh Marina and the Port Ghalib Marina on the Red Sea, and the 480-berth Porto Marina in El Alamein on the Mediterranean west of Alexandria, represented a suitable infrastructure for boat builders and distributors. As the market continues to develop, boat dealers compete to import more high performance and luxury boats to cater to the significant demand.

U.S. companies are advised to market via a local agent familiar with the market, and who can navigate the complexities of doing business in Egypt. As the market becomes more sophisticated, there is a growing demand for after-sales service requiring a local agent.

The Cairo International Boat Show, which was last held in January 2011 in a 5000 m² space, generated millions of dollars in international sales. Other multiple-day boat shows have been held at the Abu Tig Marina, at El Gouna on the Red Sea. Luxury sport cruiser boats displayed in the marina raised considerable interest, and a number of expensive yachts were sold on the spot at the boat show.

Trade Events

Egypt International Boat Show 2014

Cairo, Egypt • bit.ly/1mAPaf1



France

Overview

The French pleasure boat industry (USD 1.49 billion in turnover) is the third largest in the European Union behind Italy (USD 2.99 billion) and Germany (USD 2.58 billion) and the fourth largest worldwide (after the United States, Italy, and Germany). Despite its relative weakness in the motorboat sector, France is the number one global sailboat producer, contributing 29 percent of worldwide exports in 2010. France accounts for nearly one-third of European sales and one-fifth of the European fleet, with 4 million boaters and 512,766 pleasure boats in activity in 2012. More than 43,700 pleasure boats were built in France in 2011–12. The construction sector of this industry was hit heavily by the financial crisis of 2008. In the 2008–12 period, the number of companies in this sector fell by 17 percent, from 250 to 208 companies. Pleasure boat construction fell by 6.6 percent in volume in 2012, mostly due to a collapse in internal demand. Registration of new boats also dropped by 24 percent from 2012–13. In addition, French pleasure boat distributors experienced an 18 percent decrease in turnover in 2013. However, manufacturers were able to rely on the smaller drop in the wider European market and the rebound in overseas exports to limit their decline in business. In 2011–12, the export rate of French manufacturers was estimated at close to 68 percent, a new record which was once again broken in 2012–13.

The industry uses 261 coastal harbors and 35 river harbors along 7,330 kilometers of coastline and 8,500 kilometers of interior waterways, offering over 223,000 berths, which include 163,000 marina berths and 60,000 known moorings. France is a strong market for U.S. exporters of pleasure boats, particularly in the motorboat sector, where U.S. sellers have historically enjoyed a large market share thanks to innovative technology and competitive prices. However, as U.S. exports

Statistics

Capital: Paris
Population: 65,951,611 (est. 2013)
GDP (est.): USD 2.609 trillion (2012)
Currency: Euro (€)
Area (total): 551,500 km²
(land): 549,970 km²
(water): 1,530 km²
Coastline: 7,330 km
Language: French

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have fallen and French exports have climbed in recent years, the potential for U.S. exporters in France has become more limited.

Market

France's growing yacht construction and repair industry is concentrated mostly in western cities bordering the Atlantic and southern cities along the Mediterranean. With governmental aid, French companies have invested in their yacht construction and maintenance capabilities. Nevertheless, domestic builders and repair businesses are struggling to keep up with rapidly growing global market demand.

Best Prospects

- Highly-technical navigation instruments
- Motorboats under 25 feet in length
- Sailboats
- Equipment
- Four-stroke engines
- Powerful outboard engines

Competitors

France's two top boat builders, SPBI and Construction Navale Bordeaux, both operated by Beneteau, produced 70 percent of French sailboat exports, 40 percent of motorboat exports, and USD 869 million in turnover in 2013. Beneteau owns a total of 12 shipyards in France and had turnover of USD 1.128 trillion as of August 2012. The company is the number one worldwide sailboat builder, the number two global pleasure boat manufacturer, and accounts for over half of all French pleasure boat exports. Additional top French builders/players include Poncin Yacht (which owns Chantier Catana), Rodriguez Group (which owns SNP Boat Service), Fontaine Pajot, Couach, Yamaha Motor France, Zodiac International, Ocea, Cabesto, Chantiers Amel, Plastimo Marine, JFA Chantier Naval, Alliaura Marine, and Wauquiez.

Market Entry

U.S. motorboat manufacturers (especially producers of larger boats and high-speed motorboats) enjoy a favorable import climate in the French market. All types of U.S. motorboats (day cruisers, runabouts, motor-yachts, and cabin cruisers) are faring well, due to lower production costs in the United States and competitive prices, except perhaps for smaller boats, where the transportation costs involved may reduce the price advantage.

Trade Events

Festival International de la Plaisance de Cannes (Cannes International Boat Show)

September 2014 • Paris, France • salonnautiqueparis.com

Approximately 1,000 exhibitors/300,000 or more attendees.

Monaco Yacht Show

September 24–27, 2014 • Monaco • monacoyachtshow.com

Approximately 500 exhibitors/28,000 or more attendees.

Salon Nautique International de Paris (Paris International Boat Show)

December 6–14, 2014 • Paris, France • salonnautiqueparis.com

Approximately 500 exhibitors/50,000 or more attendees.

Associations

- Fédération des Industries Nautiques (Nautical Industry Association), fin.fr
- Fédération Française Motonautique (French Motorboat Association), ffmotonautique.com

Germany

Overview

Germany's coasts on the Baltic Sea and the North Sea around the Frisian Islands and the East German coastline, including the Island of Fehmarn, cover approximately 3,600 kilometers (2,265 miles) and provide excellent opportunities for boating. There are also numerous waterways and inland lakes, most notably in the east of Germany (around Berlin) and especially in the south (Bavaria): Lake Constance (Bodensee), Europe's largest inland boating location, and Starnberger See near Munich. The waterways of Germany cover around 10,000 kilometers (6,250 miles).

Market

Germany's water sports market was worth €1.77 billion in 2011 and €1.75 in 2012, and is slowly recovering from the slump to €1.649 billion in 2009. Compared to the same period last year, exports of power boats in the first half of 2013 decreased by 13.6 percent. At the same time, turnover of sailing yachts increased by 5 percent. A total of 644 sail boats with a total value of €68.6 million were exported in the first half of 2012. For the same period, exports of motor boats hit 631 units with a total value of €59.1 million. Imports of motor boats declined by 12.8 percent in 2012, totaling 1,966 boats valued at €119.7 million. However, 377 sail boats were imported in 2012, making up a total value of €29.94 million. Sales of marine equipment for the pleasure boat industry decreased 1.5 percent in 2012 (to €199.5 million), according to the German Marine Federation.

Approximately 1.8 million people in Germany own a boat license, which allows them to operate sailing and/or motor boats or yachts. Different types of licenses exist for sailing and motor boats. In 2011, German legislation responded to

Statistics

Capital: Berlin
Population: 81,147,265 (est. 2013)
GDP (est.): USD 3.401 trillion (2012)
Currency: Euro (€)
Area (total): 357,022 km²
(land): 348,672 km²
(water): 8,350 km²
Coastline: 3,624 km
Language: German

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the structural challenges of the industry by reforming the obstacles to obtaining an official motorboat license. This is an important signal by German legislation intending to support continued positive growth of the industry; reducing the barriers for newcomers should make water sports in Germany more attractive. Additionally, there are numerous opportunities to operate boats without a license on designated German inland waterways. Following the slump in boat building by nearly 60 percent in 2009, relative to the peak year of 2006/2007, boat and yacht sales are slowly picking up again, due to increasing demand from markets such as China and Brazil.

The German maritime industry employs roughly 20,000 people, achieving a total of approximately €1.75 billion (including maritime goods and services as well as mega-yachts) in revenue in 2012, a 1 percent decline over 2011. The market for used boats/second-hand yachts especially shows continued growth. As sales prices dropped substantially during the past couple of years, carefully maintained second-hand boats are becoming more attractive for newcomers, as well as price sensitive customers. This trend is also benefiting companies specializing in boat repair, maintenance, and services, especially in a climate of economic stress and decreasing prices for boats, as investment in boats allows owners to retain the value of their boats. The German water sports industry is still recovering from the recent economic crisis; according to the most recent survey conducted by the BVWW (German Marine Federation), the industry is reporting continuously growing confidence in the positive economic development of the domestic market. Although figures are far from those of the years 2006–07, German boat builders have managed to increase turnover and defied the turmoil of the global financial and economic crisis in 2011. Overall, however, the industry is still negatively affected by the economic and financial crisis in the Euro-zone (especially significantly decreased demand in Southern European markets)—e.g. German exports to Italy decreased by 70 percent in 2012, according to BVWW.

Despite overall rather optimistic feedback from the German marine industry, almost half of Germany's boat dealers reported decreasing sales for their business in the first half of 2013, according to BVWW. The equipment and accessories sector were also negatively affected by the slow performance in the first half of 2013. Bad weather conditions well up to May delayed the beginning of the boating season. Most equipment imported into Germany is either sold direct through a local subsidiary with a import turnover tax payable at the port entry. For customs clearance, a product description is required describing the use, origin and value of the product. The cost of the import-turnover tax is usually offset by ultimately passing it on to the end-user in later distribution stages in the form of a Value-Added-Tax (VAT), known in Germany as Mehrwertsteuer (MwSt).

Trade Events

Boot Dusseldorf

January • Düsseldorf, Germany

SMM Hamburg

September 9–12, 2014 • Hamburg, Germany

Interboot

September 20–28, 2014 • Friedrichshafen, Germany

Hanseboot

October 25–November 2, 2014 • Hamburg, Germany • biotechnica.de

Associations

- Der Deutsche Boots- und Schiffsbauer-Verband (DSBV, The German Boat- and Shipbuilding Association)
- Bundesverband Wassersportwirtschaft (BVWW, German Marine Federation)



Italy

Overview

According to the International Council of Marine Industry Associations (ICOMIA), there are 10 recreational craft per 1,000 inhabitants in Italy, for a total of over 600,000. Following record sales in 2007, Italy has seen a dramatic drop in domestic demand since 2008 mainly due to the economic crisis, a severe tax regime and high mooring costs. A comparison of data from 2008 through 2012 shows that turnover decreased by nearly 60 percent. Italian shipbuilders have turned to foreign markets and, as a result, a record 90 percent of domestic production is now exported. The crisis has also affected imports, which have dropped by 65 percent over the same period—in 2009, 35,000 workers were employed in the nautical industry; today, there are only 19,000.

The entire nautical market in Italy was valued at USD 3.4 billion in 2012. The nautical industry historically has been a strategic industry that has been a main contributor toward GDP. The industry has been characterized by cyclical drops and increases over the last five years and market experts forecast that the cycle—which began a slow ascent in 2012—should continue to rise slowly over the next two years.

The United States represents Italy's primary trading partner outside of the EU both in terms of exports and imports. Imports were valued at just over USD 410 million in 2012, with 35 percent of that (USD 76 million) coming from the United States. Italian exports to the United States equaled about one-third of total exports toward North America, amounting to USD 250 million.

Statistics

Capital: Rome
Population: 61,482,297 (est. 2013)
GDP (est.): USD 2.014 trillion (2012)
Currency: Euro (€)
Area (total): 301,340 km²
(land): 294,140 km²
(water): 7,200 km²
Coastline: 9,226 km
Language: Italian

Contact

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Market

Following record domestic sales through 2007, the downturn has caused Italian shipbuilders to focus on international and emerging markets where Italian brands are well received. An upturn on the domestic front will depend on a boost in consumer confidence that is yet to be seen. The super yacht segment, however, continues its positive trend as Italy maintains its leading role holding 39 percent of worldwide orders.

The boating industry is currently undergoing profound structural changes. It is recognized that several factors that have hurt the market over the last 2–3 years (such as high marina tariffs and reforms that overtaxed boat owners) should be changed in order to stimulate renewed interest in the Italians and attract foreign boating fans. In addition, the industry focus on internationalization as the key to turning the situation around could potentially result in increased opportunities for U.S. manufacturers seeking partnerships abroad. A recent conference held during the Genoa Boat Show in October 2013 focused on trade and internationalization as the key to saving the industry. The discussion focused on commercial strategies and strategic alliances across borders to stimulate growth. This can be looked upon as an opportunity for U.S. manufacturers seeking partnerships abroad.

Assuming a pickup in consumer spending, factors that will influence the boating market include the continued expansion of marina development. With its 9,226 kilometers (5,766 miles) of coastline, many natural lakes and waterways, Italy has over 100 ports and marinas. National and regional authorities have always focused on port and marina development and modernization to boost nautical tourism; Italia Navigando (in the Ministry of Economy and Finance) manages these projects. Italy has the highest number of super yacht berths (approximately 25 percent worldwide), high berth rental tariffs and berth purchase cost.

Best Prospects

Besides exports of new and used motorboats, sailboats, inflatable boats and motors, opportunities can be found with products such as safety devices and nautical software. U.S. products have historically been one of the most consistent in this sector, enjoying an excellent reputation in the marketplace. U.S. products lead in quality, technology, and reliability. Well over 100 U.S. motorboat manufacturers are present in the Italian market. Well-known brands include Brunswick, Champion Record, International Yachts, Marina di Verbella, Marine Union, Motomar Yachting, Vitalco, and many others. The United States is traditionally Italy's most highly regarded supplier of motorboats.

Outboard motorboats are the most common type of U.S. boats imported into Italy, constituting about 85 percent of total U.S. pleasure boat exports to Italy. The most popular in terms of sales are lower to mid-range measuring between 20–40 feet in length.

The used boat market continues to offer excellent opportunities for U.S. companies. U.S. boats have constituted up to 90 percent of the used boat market. In terms of boat accessories, U.S. products are leaders in terms of security and technology products. U.S. products do very well in the safety market as well, including life vests, jackets, and fenders.

Marine electronics that involve timing, navigating, measuring and safeguarding are in great demand. Global positioning systems (GPS) and nautical software also represent best prospects for U.S. companies.

Competitors

Italy is a major producer of recreational craft, accessories and motors, and is known for quality and craftsmanship. There are about 3,000 firms operating in the sector, and most are small, artisan type enterprises. According to 2011 statistics available, 54 percent of companies were small with 50 employees or less and had turnovers that do not exceed 50 million Euro (USD 69 million); and 32 percent were companies with 10 employees or less and turnovers of 2 million Euro (USD 2.7 million) or less. The largest number of boat manufacturers is concentrated in the northwestern provinces of Lombardy and Liguria. Some of the larger and well-known brands known for quality craftsmanship include Benetti-Ferretti, Fincantieri, Azimut-Benetti, Nuvolari Lenard (yacht designer), and Cantieri Mariotti (yacht production). Ferretti S.p.A. Yachts controls nine companies including Pershing S.p.A., specializing in high performance open cruisers measuring 15–35 meters in length.

Inboard motorboat production remains the backbone of Italian watercraft production. The sailboat sector constitutes 6.3 percent of the overall national production of pleasure craft. The accessories market in Italy is very active and dynamic, characterized by a substantial amount of technological innovation. Included in this category are electronic and information technologies, nautical maps, nautical instruments, hardware, furnishings, appliances, generators, rudders, prime materials, safety products, and anchoring devices.

Market Entry

There are very few barriers to imports in Italy. The key to exporting to Italy is gaining market acceptance.

Quality and safety improvement have become key factors in domestic and international business development. Increasingly important is the ISO 9000 Standard Series. Growing demand by both buyers and regulators within and outside the European Union for conformity to ISO 9000 requirements has made these standards and their usage a matter of considerable importance and concern to U.S. companies. Copies of the ISO 9000 Standard Series can be obtained from the National Technical Information Service (NTIS, ntis.gov).

Equally important is the CE Mark. In Europe, the Recreational Craft Directive (RCD) 94/25/EC, amended by 2003/44/EC, details the compliance requirements and modules for recreational craft manufacturers. All craft and components covered by the Directive must comply with its requirements and bear the CE marking if required. A copy of the standards and applications required for the CE mark is available at the American National Standard Institute (ansi.org).

Import taxes

All boats imported into Italy are subject to customs duties as well as Value Added Tax (VAT) (IVA Imposta Valore Aggiunto). Italy's VAT rate increased to 22 percent in October 2013. The tax is usually payable to the Italian government by the importer at the time of importation. Custom duty rates vary depending on the type of boat. European Union tariff codes range between 1.7–2.7 percent and larger vessels are exempt. Tariffs can be found in Commission Regulation (EU) No 1006/2011 dated September 27, 2011 (bit.ly/1IWMOSI).

Trade Events

Sea-Tec (International Exhibition of Technology, Subcontracting, and Design)

February 5–7, 2014 • Carrara, Italy • sea-tec.it/uk/index.asp

Big Blu—The Boat and Sea Expo

February 12–16, 2014 • Rome, Italy • big-blu.it/en.html

Venice's International Boat Show

April 4–6 and 11–13, 2014 • Venice, Italy • festivaldelmare.com

Myba Charter Yacht Show

April 28–May 2, 2014 • Genoa, Italy • mybashow.com

Nautic Sud International Boat Show

April, 2014 • Naples, Italy • nauticsud.info

Genoa International Boat Show

October, 2014 • Genoa, Italy • genoaboatshow.com

Associations

- International Council of Marine Industry Association (ICOMIA), icomia.com
- Unione Nazionale Cantieri e Industrie Nautiche ed Affini (UCINA, Italian Marine Industry Association), ucina.net
- Unione Nazionale Armatori da Diporto (UNAD, Italian Union of Pleasure Craft), on.fb.me/1j4eDxe
- Associazione Nazionale Nautica da Diporto (ASSONAUTICA, Italian Recreational Craft Association), assonautica.it
- Italia Navigando S.p.A., italianavigando.it



Japan

Overview

The Japanese marine industry is small and the domestic market is at a developing stage. While Japan's import market is very small, the country exports quite a number of boat engines. U.S. government and U.S. industry association coordination with Japan's Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and the Japan Craft Inspection Organization (JCI) has resolved a number of regulatory difficulties, but some obstacles still remain. According to the National Marine Manufacturers Association, Japan is currently the world's 11th largest boat market, and it should expand with overall economic growth. Another factor that will spur growth will be the retirement of post-war baby-boomers who have extra money and will be looking to spend on leisure activities like boating.

Market

There are seven boat engine firms for every boating company in Japan, and the engine industry continues to be an important sector in the Japan market.

The size of Japan's boating market, which includes sailboats, inboard/sterndrive motor boats, other rigid boats, inflatable boats over 2.5 m and 20 kg, and PWC, increased across the board in 2012 compared to the previous year. Boat production, imports, as well as boat exports were strong. Much of the boost came as many people replaced boats damaged by the Great East Japan Earthquake and the tsunami. The dual disasters also created opportunities to rebuild some marinas, which were previously built exclusively for the fishing industry. New marinas are now built to appeal to recreational users as well.

Statistics

Capital: Tokyo
Population: 127,253,075 (est. 2013)
GDP (est.): USD 5.964 trillion (2012)
Currency: Yen
Area (total): 377,915 km²
(land): 364,485 km²
(water): 13,430 km²
Coastline: 29,020 km
Language: Japanese

Contact

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Boat and Engine Demand, 2010–12			
(Number of Units)	2010	2011	2012
Boat Production	11,066	9,735	11,550
Boat Imports	9,235	8,152	8,714
Boat Exports	3,049	4,430	5,347
Engine Production	17,869	20,215	23,354
Engine Imports	3,373	3,671	3,959
Engine Exports	432,585	455,352	433,661

Source: Japan Boating Industry Association (JBIA) and Japan Marine Industry Association (JMIA)

Competitors

Japanese manufacturers of marine motors play a strong role in the industry.

Manufacturers include:

- Toyota Motor Corporation
- Honda Motor Co., Ltd.
- Suzuki Motor Corporation
- Nissan Marine Co., Ltd.
- Yamaha Motor Co., Ltd.
- Yanmar Co., Ltd.
- Tohatsu Corporation.

Market Entry

Specialized trading firms market imports to domestic end-users including manufacturers, private users, and law enforcement, defense, and other government agencies. Many U.S. manufacturers also have partnerships with their Japanese counterparts. New-to-market firms should consider partnering with trading firms knowledgeable about marine industry networks.

Barriers

Japan continues to maintain an inspection system for new boats and marine engines that is unique in the world in its severity and complexity. Japan’s regulations, written and administered by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) and the Japan Craft Inspection Organization (JCI), are complicated, vague and subject to arbitrary and inconsistent interpretation and contain many rules and requirements that no other country considers necessary. These unusual rules and the requirement that each and every imported boat be individually inspected place an enormous burden on Japanese importers and U.S. boat manufacturers, and effectively constitute a significant barrier. For over 10 years, the U.S. Government has been urging Japan to adopt internationally-recognized standards and inspection procedures. Some progress has been made including new inspection procedures for plastic fuel tanks, a new boating licensing system, design approval for engines, and the adoption of 40 relevant ISO standards into Japan’s national standards without modification.

Trade Events

Japan International Boat Show 2014

March 6–9, 2014 • Yokohama, Japan • marine-jbia.or.jp/english/boat-show

Organized by the Japan Marine Industry Association.

Sea Japan 2014

April 9–11, 2014 (biannual) • Tokyo, Japan • seajapan.ne.jp/en

460 exhibitors from 25 countries at the previous show, held in April 2012.

Associations

- Ministry of Land, Infrastructure, Transport and Tourism (MLIT), mlit.go.jp/en/maritime
- Japan Marine Industry Association (JMIA), marine-jbia.or.jp/english
- Japan Craft Inspection Organization (JCI), jci.go.jp/english

A vertical graphic of the Mexican flag, showing the green, white, and red horizontal stripes and the national coat of arms (an eagle on a cactus) in the center.

Mexico

Overview

Mexico is the United States' third largest trading partner and second largest export market for U.S. products. Building upon the long-established North American Free Trade Agreement (NAFTA), negotiations are now underway for the Trans-Pacific Partnership (TPP), which presents an opportunity to go beyond NAFTA and is anticipated to be finalized by 2014.

Pacific region countries represent some of the world's most robust economies, representing more than 40 percent of global trade; by including them, the TPP will further boost economic growth by increasing exports to this region.

With a growing middle class, booming manufacturing industry, and probable positive changes with new fiscal, energy and telecom reforms, Mexico is on its way to become Latin America's biggest market. Mexico's relatively buoyant financial status has been particularly good for the leisure marine industry. Its recreational market is not yet mature compared to similar sized-economies, but it holds great potential.

Leisure marine is a new segment in the country and the Mexican boater is now evolving into a more knowledgeable user, more demanding of service and more aware of brand/product value.

An estimated 7.2 million Mexicans (5.2 percent of the population) are able to purchase high-end goods, which puts the country into Latin America's top spot and fourth place globally after the United States, China, and Japan. According to KPMG, Mexico holds 55 percent of the Latin America market for high-end consumer products, totaling USD 12 million in 2011, with 10 percent growth annually for the previous 2 years.

Statistics

Capital: Mexico, D.F.
Population: 116,220,947 (est. 2013)
GDP (est.): USD 1.177 trillion (2012)
Currency: Mexican peso (MXN)
Area (total): 1,964,375 km²
(land): 1,943,945 km²
(water): 20,430 km²
Coastline: 23,761 km
Language: Spanish

Contact

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Market

The leisure marine industry is seeing a similar upswing in sales, and U.S. boat builders and equipment manufacturers are in prime position, given the geographic proximity and because NAFTA provides duty-free trade between the United States and Mexico for goods originating in the United States, Mexico, and Canada. The boatbuilding industry in the country is almost non-existent, with just a handful of companies manufacturing boats for recreational use. Most builders are focused on the commercial sector of tourism and fishing boats.

Mexican Boat owners favor vessels of over 35 feet, and nearly 20 percent of them store their boats at second homes by the sea or lakes. Popular boating areas include Ixtapa, Acapulco, Puerto Vallarta, and La Paz, as well as Cancun and inner lakes.

When buying a boat, Mexicans have the option to make a temporary importation of up to 10 years by paying a fee. Before the expiration date, the boat owner can either extend this for another decade, or can make the definite import by paying the outstanding fees and taxes. There is no import duty for U.S. origin boats, but the fees and taxes must be paid. The boat does not receive a Mexican flag until the definite import taxes are fully paid and approved by the Communication and Transportation Secretariat (SCT).

According to the Secretary of Infrastructure and Transport (Secretaria de Comunicaciones y Transporte), there are 167,805 registered boats in Mexico; 73 percent are fishing boats, 26 percent are leisure and sport boats. Mexico has a total of 23,761 km of coast, with 12 federal marinas and close to 28 private marinas. On average, these marinas have enjoyed occupation rates of 50–63 percent since 2008.

Current Market Trends

Mexico's affluent middle-class is taking to the water in increasing numbers, a trend that has the potential to make it Latin America's leading marine market. Since 2012, sales have been increasing, mainly because the boating lifestyle has started to consolidate across the country—particularly on the Caribbean and Pacific coasts, where marine infrastructure is improving. Yet this is one of the areas where the industry could really overhaul its growth by offering more and better services to those marinas, in order to attract boats from the United States and Canada, where some marinas are already full.

With so few domestic builders, most boats, equipment, and accessories are imported. This provides a stellar opportunity to U.S. manufacturers to enter the market. However, key players in the industry would need to improve their supply of leisure marine related services, refit and repair in particular, in order to fully realize the country's leisure marine market potential.

Market Entry

An important feature of the U.S.-Mexico bilateral relationship is the North American Free Trade Agreement (NAFTA), which created a free trade zone for Mexico, the United States, and Canada. Under the NAFTA, there are virtually no tariff barriers for U.S. exports to Mexico.

Firms wishing to export to Mexico will find a variety of market entry strategies. Many factors help determine the best strategy, such as the product/service, logistics & customs, distribution, marketing, direct or indirect sales, exporting experience, and language proficiency, among others. The U.S. Commercial Service can assess market potential of products and service, provide advice on export strategies, and facilitate business agreements with potential clients and/or partners through our three offices in Mexico: Mexico City, Guadalajara, and Monterrey.

Trade Events

Acapulco Boat Show

Acapulco, Guerrero, Mexico • boatshowacapulco.com

Cabo Marine Show

May 15–17, 2014 • Los Cabos, Baja Sur, Mexico • cabomarineshow.com

Boat Show Cancun

Cancun, Quintana Roo, Mexico • boatshowcancun.com



The Netherlands

Overview

The Netherlands has boat builders of all sizes. There are 521,000 boats currently in use.

Polyester boats, especially sail boats, are popular, but the majority of Dutch boats are diesel powered, steel, displacement type, freshwater, family boats, averaging 26 feet to 36 feet in length.

The 2012 turnover for the Dutch shipbuilding industry was €6.1 billion, a slight decrease compared to the 2010 turnover of €6.2 billion. However, in 2012, there were 29,450 workers employed, a significant decrease compared to the 33,000 who were employed in 2010.

Market

Many types of boating equipment and supplies are selling well. Marine electronics are in great demand. There is interest in global positioning systems, system C marine communications, direct dialing communication systems, fluxgate compasses, electronic charting, versatile screen displays and interfacing. Other types of less sophisticated basic boat parts, equipment and supplies are also enjoying good sales.

Dutch shipbuilders have been able to maintain production at a decent level in 2012. Deliveries from Dutch shipyards amounted to 95 seagoing vessels, a total of over 335,000 CTG with a value in excess of €2 billion. Production at foreign facilities belonging to Dutch yard groups is on the increase, while foreign affiliates of Dutch yards also booked a very respectable production level. Of the seagoing ships produced in the Netherlands, 65 percent are destined for export.

Statistics

Seat of Gov't: The Hague
Population: 16,805,037 (est. 2013)
GDP (est.): USD 773.1 billion (2012)
Currency: Euro (€)
Area (total): 41,543 km²
(land): 33,893 km²
(water): 7,650 km²
Coastline: 1,914 km
Language: Dutch

Contact

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The most important marine equipment trade show in Europe, the Marine Equipment Trade Show (METS), is held annually in November in The Netherlands. This event has grown remarkably to achieve its number one position in just three years.

The 521,000 boats licensed in the Netherlands include:

- 193,000 Cabin Sailing Yachts
- 145,000 Cabin Motor Yachts
- 33,000 Sailboats
- 42,000 Motorboats
- 8,000 Flatboats
- 100,000 Canoes, Kayaks, and Rowboats

Sorted by province, the 174,000 boats currently moored in the water are located in:

- Drenthe—1,000
- Groningen—3,000
- Overijssel—8,000
- Flevoland—8,500
- Limburg—11,000
- Utrecht—8,000
- Friesland—27,000
- Noord Brabant—13,000
- Zeeland—14,000
- Gelderland—14,000
- Noord Holland—33,500
- Zuid Holland—33,000

The remainder of boats in the Netherlands include:

- 37,000 boats are in the water elsewhere.
- 210,000 boats on shore, in use.
- 100,000 boats on shore, not in use.

Barriers affecting the growth of the Dutch shipbuilding industry include:

- Economies of scale
- Customer loyalty
- Capital/investment requirements
- Access to industry distribution channels

When a new company wants to enter the Dutch Boat market, their average cost per unit will be very high. This will decrease as they expand, but the company needs to have sufficient capital to enter the market.

New market entrants need sufficient capital to start up, and must be prepared for costs related to equipment, construction, and raw materials. The shipbuilding and repair industry is a capital-intensive business, requiring extensive initial capital to enter the industry and meet subsequent outfitting and technological requirements. These factors provide substantial barriers to entry for new manufacturing.

Large incumbent firms may have existing customers loyal to established products. The presence of established strong brands within a market can be a barrier to entry, requiring new companies to invest in marketing to boost customer awareness.

Access to industry distribution channels is also a factor. Exclusive agreements with key distributors or retailers can make it difficult for new manufacturers to enter the industry; distributors and retailers are reluctant to take on competing products.

Trade Events

Hiswa

March 5–9, 2014 • Amsterdam, Netherlands • hiswarai.nl/Pages/English.aspx

Products and services, including equipment, material, and specialists for all kinds of boat. Current trends and demand. Attracts all manner of boat enthusiast, as well as boat builders or distributors.

METS (Marine Equipment Trade Show)

November 18–20, 2014 • Amsterdam, Netherlands • metstrade.com

Target groups include yacht builders, naval architects, repair yards, distributors, dealers, wholesalers, captains, marina operators, and equipment manufacturers. Includes the SuperYacht Pavilion, the central platform for the worldwide super yacht industry.

Europort

November 3–6, 2015 • Amsterdam, Netherlands • europort.nl/en

Networking and information/technology seminars related to commercial and industrial sea/oceanfaring vessels.

Nigeria

Overview

Ranking as Africa's third-largest market (after Egypt and South Africa), Nigeria is the continent's most populous country, accounting for approximately one-sixth of its people. It is arguably one of the most culturally diverse societies in the world, with about 250 ethnic groups among its 160 million people.

Nigeria aspires to be one of the largest 20 economies by the year 2020. Toward this end, the country is liberalizing its economy, promoting public-private partnership and encouraging strategic alliances with foreign firms. As a gateway to fifteen smaller West African countries and a net importer, Nigeria can be a very rewarding market for U.S. companies that take the time and effort to understand its market conditions and opportunities, find the right partners and clients, and take a long-term approach to market development. With strong growth prospects in many industry and service sectors, underserved market segments, a growing and increasingly sophisticated consumer base, coupled with a strong affinity for U.S. products and U.S. culture, opportunities are impressive.

Nigeria is one of the world's top 10 oil producers and Africa's leading producer, with proven oil reserves of about 36.24 billion barrels (including 4 billion barrels of condensates), while its gas reserves are estimated at 187 trillion standard cubic feet. Its economy is largely dependent on its oil sector, which accounts for more than 50 percent of gross domestic product (GDP) and 95 percent of the country's foreign exchange earnings. Although the agricultural and manufacturing sectors have seen some growth over the last few years, the country remains largely an importing country of bulk commodities and food (USD 3 billion).

Nigeria is one of the largest countries in Africa, with coastlands spanning about 3122 km and several states in the federation sprawling along the coastline. This attracts huge maritime activities including commercial port business that

Statistics

Capital: Abuja
Population: 174,507,539 (est. 2013)
GDP (est.): USD 266.6 billion (2012)
Currency: Nairas
Area (total): 923,768 km²
(land): 910,768 km²
(water): 13,000 km²
Coastline: 3,122 km
Language: English (official), others

Contact

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makes up 68 percent of total maritime trade in West Africa. The country is the most populous country in Africa, with over 160 million people and growing at an estimated three percent rate annually. Lagos State, the commercial center, is one of the most populous city in Nigeria, one of the fastest growing cities in Africa and the seventh in the world.

Market

Nigeria seeks to be a hub for leisure craft industry in West Africa, and offers tremendous opportunities for imports of leisure crafts and associated parts/accessories and services. Nigeria does not have a thriving shipbuilding/manufacturing industry; local fabrication is mostly for 100-seater river buses powered by outboard engines and used as passenger ferries, workboats, utility boats, and water buses. (Manufacturers often seek joint venture partnerships in the passenger boat industry). As a result of a dearth of sundry marine services such as dry and wet docking, training and chandelling shops for sale of boat spares/accessories (life jackets, stainless screws, gears, fenders, goggles, gloves, etc.), Nigerian boat owners see opportunities for partnerships to establish/supplier such services in this market and the West African region.

Current Trends

Nigeria's maritime industry comprises opportunities for commercial boats, workboats, jet skis, and fishing and leisure boats. The country's pleasure boat industry, which has seen significant growth in the past four years due to several reasons, has seen imports of various types of boats ranging from cruisers, small sports and large leisure crafts, ferryboats, water buses, utility boats, and yachts. Annual imports of pleasure boat into Nigeria are estimated to be between 200–300 boats, with Lagos state as the dominant leisure craft location receiving 80 percent of total imports as it enjoys the most developed leisure boat industry, followed by other states like Port Harcourt, Calabar and Eket, etc. Nigerian boat imports range from 26–36 foot fishing boats to super yachts of between 80–100 feet. The value of an average-sized leisure boat is about USD 60,000–300,000, with average cost of USD 100,000, which translates to a significant export opportunity for U.S. manufacturers.

Industry operators indicate that rapid growth is driven mainly by three factors: affluence, usefulness, and travel and lifestyle changes; interest in sport fishing is seen as offering lifestyle alternatives for the middle class as a form of rest and relaxation. The type of boats imported into Nigeria is also believed to be influenced by the demographics of varying categories of boat buyers. For example, buyers/boat owners within the age range of 28–35 tend to typically buy fast sports boats controlling about 20 percent of imports, 35–55 age range boat owners buy cruisers with 60 percent market share, while ages 65–75 buy bigger boats and yachts and control 15 percent market share. Majority of boat imports of both newly-built and used boats are from United States and Europe. Issues such as currency differentials and boat styles are also a determinant for country of origin for the boats. Boat owners buy trailered boats for dry docking services and for towing boats to and from jetties as a result of the absence of dry

docking facilities. Majority of docks in Nigeria are rigid (wooden or concrete) with increasing imports of floating docks. Dock damage often results from the lack of speed limits on the water, exacerbated by the low tidal range (2 feet at low and high tides).

Market Opportunities

The Nigerian Maritime Administration and Safety Agency (NIMASA) highlighted areas of local and direct foreign investment in the Nigerian maritime industry. According to NIMASA, areas of present and future investment include:

Maritime Tourism:

- Emerging emphasis on tourism will offer additional opportunity for marine tourism for special opportunities for boat cruises, yachting, passenger boat, ferry services, sheltered waters of Nigeria creek offers opportunities for water sports.

Training:

- Training facility for shore and shipboard personnel.
- Maritime training institutions.

Infrastructure/facilities:

- Port infrastructures, superstructure, and terminal facilities for container operation;
- Marine information technology infrastructure and service;
- Development of inland container depots (ICDs) and dry port facilities;
- Warehousing Services (bonded warehouse, take forms etc)
- Provision of free trade and export processing zones (FTZ & EPZ) for export investment;

Service:

- Trade Support Services;
- Marine Services: towage, pilotage, hydrographic, ship/cargo surveying, navigational aids, nautical services, admiralty service, dredging services;
- Integrated logistics services: supply chain management service, air and marine logistics support;
- Shipping management/brokerage/agency services;
- Shipping services (acquisition and operation of vessels);
- Liner service, tramp services, tanker shipping, transshipment services, trawlers, passenger /cruise service, ship building/repair services;
- Freight forwarding services;
- Chandelling services;
- Shipping financing services
- Packaging;
- Marine insurance services

An estimated 300 vessels operate in Nigeria, and 80 percent of imports of crew boats, tug boats, and accommodation barges/vessels are imported from the United States. International oil companies project that their demand for marine vessels for upstream activities will be upwards of 914 over the next four years. Increasingly, there is demand for marine vessels with global positioning devices and specialized security and navigational features.

Market Entry

There are no barriers to imports of leisure crafts into Nigeria and boat registration is not rigorously enforced, with the exception of leisure crafts, on which a 25 percent import duty is imposed. Boat owners often cite delays to regular maintenance and repair of boats as a challenge that impacts use of crafts as they are forced to ground boats while awaiting imports of specific parts. Nigeria lacks an effective marine search and rescue except as offered by the Nigerian Navy and/or NIMASA (the Nigerian Maritime Administration and Safety Agency); this may be an additional opportunity for interested U.S. firms to partner with appropriate private or public organizations.

Nigeria does not have well-developed marinas and luxury yacht charters, although the very rich own luxury yachts for private use. Many boat clubs and beach resorts continue to be established, and companies offer boat charters cruises for employees and clients, company retreats, vacation time, and tourism. Private mooring/boat, yacht and sailing clubs as well as jetties dot the water front and serve as marinas. An international mega city infrastructure development project in Lagos—the Eko Atlantic City project (ekoatlantic.com)—includes planned marinas districts with excellent marinas.

Other Challenges:

- The major challenge for boat owners in Nigeria is lack of spare parts and boat accessories, which must be imported from abroad.
- Lack of qualified boat masters and trained boat mechanics. Boat mechanics are poorly trained if trained at all and can actually damage your boat due to lack of experience. Appropriate problem diagnosis is highly challenging, especially with high-tech boats.
- Lack of search and rescue resources.
- A few incidences of piracy attacks on luxury boats as most of the boat houses are located on islands that are far from the city.

Associations

- Sports Fisherman Association of Nigeria (SFAN), sfaon.org

Norway

Overview

According to the CIA World Factbook, the Norwegian coastline is 126 percent longer than the U.S. coastline (islands and fjords included). Norway has a long tradition of utilizing the rich maritime environment, including major activities in commercial shipping and fishing. Norwegian households have generally high incomes and can afford to invest in recreational commodities. This wealth is evenly distributed among the population, making most citizens capable consumers. Most Norwegians typically enjoy five weeks of annual vacation, making a boat investment justifiable. Having said that, summer season is typically no more than five months, and poor weather has proven itself to impact sales significantly.

Sales of leisure boats grew significantly from 2001 and peaked in 2007–08. At its peak, Norway was the second largest European market for boats with outboard engines, which is remarkable because only 5 million people inhabit Norway. At that time, the U.S. market share was also at a record high: the U.S. was ranked as fifth-largest exporter to Norway.

After the peak in 2007–08, U.S. market share in Norway declined more rapidly than the overall market. However, in 2011, sales began increasing again, and 2013 was a strong year. A few strong U.S. brand names, such as Boston Whaler and Chris Craft, are repositioned, but the total U.S. market position is now far from being fifth.

Market

Some 25 percent of Norwegian households own one or more boats, an increase from 13 percent 10 years ago. In earlier years, most people had some maritime experience before buying a boat, but in the recent years a new segment of boat owners have made their debut. This is in part due to more capital available, but also lower prices and reduced production costs explain some of this trend. In

Statistics

Capital: Oslo
Population: 4,722,701 (est. 2013)
GDP (est.): USD 501.1 billion (2012)
Currency: Norwegian kroner (NOK)
Area (total): 323,802 km²
(land): 304,282 km²
(water): 19,520 km²
Coastline: 53,199 km
Language: Norwegian

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addition, exceptionally low interest rates over the past years have accelerated the buying decisions. A wide diversity of buyers has created some market fragmentation, but one characteristic is constant—nine of 10 owners are still men.

An estimated 800,000 leisure boats are floating on Norwegian waters. The small- and medium-sized powerboat segment is not only the largest, but also one of the fastest growing segments. The number of new outboard engines sold last year, about 26,000 units, emphasizes this trend. The demand for motorboats is believed to be between 12,000–15,000 units, mostly imports. Inflatable boats (RIBs) are increasingly popular as the new “macho” toys, stealing market share from traditional hulls. Aluminum hulls are now also growing in popularity.

Statistics show that the average boat is becoming more expensive; annual sales in 2001–07 increased by 370 percent, and the number of boats grew by 240 percent. Powerboats account for the largest number of boats by far, but sailboats are increasingly popular and one of the fastest growing segments of boats.

Norway is a net importer of leisure boats; dealers, resellers and individual buyers import six boats for every boat that is exported.

The total value of the Norwegian leisure boat fleet has now reached USD 8 billion, according to insurance companies.

A 2013 survey on leisure boat use in Norway revealed that 46 percent of the population used a leisure boat that year. The nature experience was reported to be the most important reason to hit the water (28.9 percent), followed by relaxation (23.4 percent), fishing (19.8 percent), and social interaction (16.6 percent). Speed and sports only accounted for 3.6 percent, suggesting that Norwegian boat owners appreciate the slower and quieter side of boating life.

Market Entry

Since 1998, all U.S. leisure boat manufacturers willing to export to Norway must obtain a “CE Mark” for their products. This requirement is based on European Directive L164/15. A manufacturer that has gone through the conformity assessment process may affix the CE marking to the product. With the CE marking, the product may be marketed throughout the EU. CE marking now provides product access to 27 countries with a population of nearly 500 million.

General information on how to obtain the CE Mark can be found at the American National Standards Institute (ANSI) website, ansi.org.

Also see the U.S. Department of Commerce’s CE Program Overview page, go.usa.gov/ZAb5.

Imported new boats are subject to 25 percent VAT and a horsepower tax, currently about USD 22 per horsepower. For used boat imports, VAT is reduced as the boat gets older.

Most new boats are imported by dealers, usually with exclusive rights to the Norwegian market. This especially applies to strong brand names. Lesser-known brands can have more than one importer or dealer, as they can sometimes fill gaps in others' product offerings, or can solve a specific short-term market need. Importers may or may not hold inventory depending on sales volumes. U.S. boat manufacturers seeking to export to Norway are advised to target multiple importers to find the best suitable business partner. End-users in Norway sometimes also buy new boats directly from the shipyards/builders.

As in the United States, a boat's reputation is greatly dependent on the service level provided by the dealer. Most buyers want to make sure the seller is around for service over several years.

When selling to the Norwegian market, participating at one or more of the largest boat shows will give a very good idea of what consumers demand. This is also an excellent and efficient way to address a large and broad audience and test a new boat model. The U.S. Commercial Service in Norway will provide guidance should this be of interest.

Small Pleasure Boats

Although large boats are popular, small boats in the 12–18 feet range account for the largest part of the market, measured by number of boats sold. As a result, the average outboard engine in Norway (about 30 horsepower) is smaller than the average engine sold in the United States (about 100 horsepower). However, in comparison, small boats in Norway are more solid and often equipped for rougher sea than the average U.S. small boat.

Trade Events

Båter i Sjøen

Oslo, Norway • norboat.no

Outdoor exhibit close to Oslo hosted with more than 600 boats on dock.

Sjøen for alle

Oslo, Norway • norboat.no

Norway's largest show. Indoor exhibit with 400 boats and 40,000 visitors.

Associations

- NORBOAT, norboat.no
- Kongelig Norsk Båtforbund, knbf.no
- Norwegian Customs, toll.no/?epslanguage=en
- finn.no



Panama

Overview

The pleasure boat market has shown significant growth during the last seven years as a result of the dynamism of the Panamanian economy, the discovery of Panama as an excellent fishing place as well as its many tourist attractions, and the excellent logistics that the country offers including telecommunications, air connectivity, banking and hotel availability. Marina construction is booming as the demand for boat facilities continues to increase.

There are no restrictions or significant regulation for boat importation. Under the Free Trade Agreement between the United States and Panama, boats have zero import duty. A 7 percent value-added tax is applicable on all imports.

Total market size is estimated at USD 35 million per year. The United States is the leader in the local boat market with over 70 percent market share. U.S. boat products enjoy strong reputation and are considered reliable and of high quality.

Prospective boat buyers include large local companies, retirees from the United States and Europe, wealthy Panamanians, and investors from South America, especially from Colombia and Venezuela.

Panamanians like to travel and attend U.S. boat shows. The most popular shows are the Fort Lauderdale Boat Show and the Miami International Boat Show. There is no local production of boats in Panama.

Market

Panama is one of the world's best fishing grounds, but has yet to compete in regional organized events. The Panamanian tourism office and other organizations have been very active in the promotion of Panama as a fishing destination.

Statistics

Capital: Panama City
Population: 3,559,408 (est. 2013)
GDP (est.): USD 36.25 billion (2012)
Currency: Balboa
Area (total): 75,420 km²
(land): 74,340 km²
(water): 1,080 km²
Coastline: 5,637 km
Language: Spanish

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More than 70 percent of the market is related to fishing boats. Although the cruising segment represents a small section of the Pacific Ocean market, it is the mainstay in the Caribbean Sea. Many customers prefer cruisers as they prefer spending time on the ocean with family and friends.

Best Prospects

- Superyacht (Over 50 feet). Probably no more than 15 percent of the market.
- Pleasure Craft (up to 50 feet). Most of the market is concentrated in this sector.
- Pleasure Boat Accessories. The market offers excellent opportunities in this subsector, especially fishing equipment and accessories.
- Marina Development Activity and Trends. Panama is increasingly becoming an international marina location, with over 15 marinas in place and at least 10 more under construction both on the Atlantic and Pacific coasts.
- Luxury Yacht Charters. This subsector has yet to be developed.

Competitors

There are no local builders in Panama except for very small companies building very small boats for low scale fishing.

Market Entry

The import climate for pleasure boats is positive and there are no restrictions or significant regulations. Customs clearance is relatively fast and straightforward. Import duties on boats were eliminated under the Free Trade Agreement between the United States and Panama. A 7 percent value-added tax is applied to all imports.

Panama has a dollar-based economy, good transportation infrastructure and telecommunication systems, and modern ports and marinas. Panama is the region's major banking center with more than 80 national and foreign banks.

In order to promote boat products in the local market, having a representatives or agent is very important. It is key to keep in close contact with potential clients during the sales process and to be able to provide reliable after sales support.

Panama has an open economy and there are no specific protection laws for agency, representation and distribution. General commercial law and the private contract would instead govern contracts or the relationship between the vendor or supplier and the local representative or agent.

Panama has one of the most modern shipping registry and maritime laws in the world. Foreign flagged vessels can remain in the country, under temporary entry, for one year without paying import duties.

Most of luxury boats are normally kept at marinas mainly on water, but marinas are lately building facilities for dry-stack.

The majority of small boats are trailered to the main beaches, especially on the Pacific side where most of the beach/resorts are located.

There is a considerable capital investment to enter the marketplace. This is due to the lack of dealer financing which restricts the ability of local dealers to stock products. There is also lack of end-user financing, so many dealers have to be creative on their methods of providing financing.

There are no major issues or obstacles concerning importation of boats into Panama. In general, boats that are accepted in major markets such as the United States, Europe, and Japan can be marketed in Panama.

Associations

- Panamanian Chamber of Commerce, panancham.com
- Regulatory organization, Autoridad Nacional de los Servicios Publicos, asep.gob.pa
- American Chamber of Commerce, panamcham.com
- Ministry of Commerce and Industry, mici.gob.pa

Poland

Overview

The pleasure boat building industry in Poland is very well developed, and Poland is ranked fifth in world yacht production volume. An overwhelming majority of Poland's production (95 percent) is exported worldwide. The local market is supplied almost equally by domestic producers and imported products. Motorboats represent the major market segment and boats of up to 10 meters dominate the local market.

Pleasure Boating Demand, 2011–13

(USD Millions)	2011	2012	2013 (Jan–Sep)
Total Market Size	23.2	25	23.3
Total Local Production	238	235	254
Total Exports	226.4	223.4	241.5
Total Imports	11.6	13.4	10.8
Imports from the U.S.	1.2	0.8	1.0

Data for HS 8903—Yachts and other vessels for pleasure and sports. Source of export/import statistics: Global Trade Atlas GTA. Market size and local production are estimates

Market

Poland is one of the few countries in Europe bucking the trend with increased boat production each year. The current annual production of Polish yacht industry is 17,000 units with a potential to increase to 22,000 units annually. Ninety-five percent of local production is exported worldwide, mainly to Western Europe (France, Germany, Spain, Norway, Netherlands), as well as United States, Russia, Australia, Saudi Arabia, Chile, and Japan. Cost-effective labor rates, skilled

Statistics

Capital: Warsaw
Population: 38,383,809 (est. 2013)
GDP (est.): USD 487.7 billion (2012)
Currency: Polish Zloty (PLN)
Area (total): 312,685 km²
(land): 304,255 km²
(water): 8,430 km²
Coastline: 1,032 km
Language: Polish

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workforce and excellent quality of Polish yachts have created an attractive base for boat building industry in Poland. Many well-known brands have established manufacturing facilities in Poland (Brunswick, Jeanneau-Benetau Group, Windy and Askeladden). Poland comes in second place in world production of yachts up to 10 meters in length (after the United States). Every third yacht sailing in Europe was built in Poland.

Since the majority of yachts and motorboats produced in Poland are exported worldwide, the local market is supplied almost equally by domestic producers and imported products. In 2012, imports reached USD 13.4 million and major categories were motorboats powered other than by outboard motors (USD 6.7 million) and sailboats and outboard motorboats of lengths less than 7.5 meters (USD 2.6 million). With an import value of almost USD 1 million, the United States is the fifth largest import market of pleasure boats for Poland (10 percent of total imports). U.S. boats represented 37 percent of all newly registered boats in Poland in 2011. Poland's export of yachts and pleasure boats was USD 223.4 in 2012, 17 times value of imports.

Best Prospects

Poland has adequate natural conditions for developing sailing and boating activities, and these activities enjoy popularity among Poles. The Polish coastline on the Baltic Sea is 1,032 km long, and Poland has over 10,000 lakes, including the famous Mazury lakes region. There are 38 marinas and 1,236 harbors in the country, over 60 of which are located on the Baltic Sea, with capacity to accommodate 3,600 boats. Inland ports and marinas located on various waterways and lakes can accommodate over 60,000 boats. About 100 yachts in Poland possess ocean certificates. During last 40 years, 1 million sailing patents were issued in Poland.

According to the Polish Sailing Association and the Polish Powerboat Association, there were 4,800 new boats registered in Poland in 2012, the same number as in 2011. The total number of boats registered in Poland is estimated to be 25,000, and the total number of boats located in Poland is estimated to be 60,000. Motorboats represent 80 percent of all pleasure boats registered in 2010, and 89 percent of all pleasure boats (with or without motors) are up to 10 meters in length. Although the number of registered yachts of more than 10 meters long is increasing every year, small boats enjoy the best popularity. The demand for high-end yachts and motorboats is negligible.

Since the local production of pleasure boats is very well developed, the boat accessories segment represents good prospects for local and foreign suppliers. Opportunities include almost all accessories, including also high-end products. Most boat engines are imported, as only a very small number are produced locally. Major engine brands present in the Polish market are Yamaha, Suzuki, Honda (outboard engines) and Mercury. There are plenty of companies involved in yacht chartering that also represent significant market opportunity. During the last several years, with funds available from EU infrastructure cohesion program, Poland has witnessed development of marinas and yacht ports. Plenty of new marinas, docks, ports are being built in waterways and lakes. Also, local authority strategy is to integrate existing waterways for better sailing opportunity.

Competitors

Majority of boat manufacturing relates to small sailing and powerboats mostly for lakes and waterways. Poland ranks second place in the world production of yachts up to 10 meters in length. Some of the Polish builders produce parts of the boats for European shipyards, and there are manufacturers that produce under foreign brands. Although builders are mostly focused on boats below 10 meters, there are shipyards producing large boats, superyachts and luxury catamarans. Sixty percent of total annual output is provided by seven leading shipyards: Galeon (yachts and motorboats up to 25 meters), Delphia Yachts (yachts and motorboats of 7–15 meters), Ostroda Yacht (motorboats and sail boats for Jeanneau oraz Beneteau brands), Balt Yacht, Model Art/Parker, Slepsk and Sunreef (large custom made luxury yachts: catamarans, power boats, and superyachts).

Market Entry

Poland is a member of the EU; therefore, pleasure boats imported into Poland from United States are subject to applicable EU custom duties. Duties range between 0–2.7 percent, depending on the type of boat. Detailed information is available at bit.ly/1adGJUi.

In order to sell recreational boats in the EU market, the boat needs to have CE certificate. This certificate shows that the boat has been produced consistent with 94/25/WE Directive, which describes detailed requirements that this products must meet. Additionally, sail boats and motorboats used in Poland are subject to registration in the Polish Yacht Association and the Power Boat Association.

Trade Events

Boatshow Poland

November 14–16, 2014 • Lodz, Poland • boatshow.pl

Wind & Water

April 3–6, 2014 • Warsaw, Poland • wiatriwoda.pl

Arbos Poland

October 1–3, 2014 • Ostroda, Poland • arbospoland.com

Available Market Research

- The Polish Chamber of Marine Industry and Water Sports, polboat.eu
- Polish Powerboat Association, pzmwinw.pl
- Polish Yacht Sailing Association, ykp.pl



South Africa

Overview

South Africa is the world's second largest producer of catamarans, after France. Boat-building in South Africa centers on the manufacturing of sailboats (mono- and multi-hulled), motorboats, inflatable craft (rigid and semi-rigid), kayaks, and canoes. The South African boat-building industry is principally an export industry, with 90 percent of production dedicated to exports. Export demand originates mainly from Europe and the U.S./Caribbean, with significant markets in Asia and Australia as well. South Africa's boat-building industry is rapidly expanding with approximately 30 percent of the global market share.

The South African boat-building industry contributes more than USD 140 million to the economy. Around 85 percent of South Africa's boat builders are located in the Western Cape. Barriers to entry are low and industry turnover has grown tremendously in recent years, with the focus being almost exclusively on the foreign market.

Market

Boat-building in South Africa centers on the manufacturing of sailboats (mono- and multi-hulled), motorboats, inflatable craft (rigid and semi-rigid), kayaks, and canoes. The South African boat-building industry is principally an export industry, with 90 percent of production dedicated to exports. Export demands originate mainly from Europe and the U.S./Caribbean, with significant markets in Asia and Australia as well.

Despite having to compete with state-subsidized rivals overseas, the South African industry grew 49 percent in 2011, producing 10,000 boats, of which 80 percent were exported.

Statistics

Capital: Pretoria
Population: 48,601,098 (est. 2013)
GDP (est.): USD 384.3 billion (2012)
Currency: South African Rand (ZAR)
Area (total): 1,219,090 km²
(land): 1,214,470 km²
(water): 4,620 km²
Coastline: 3,751 km
Language: English, others

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Imports

Yachts, pleasure, sports vessels, rowing boats, canoes were South Africa’s largest import of the sector in 2011, valued at ZAR 150 million. Floating structures (rafts, stages, buoys/beacons) (ZAR 38 million) and special purpose ships, vessels (ZAR 21 million) were ranked second and third, respectively.

Imports of Ships, Boats, & Other Floating Structures (2011)			
Rank	Destination Market	Value (ZAR Millions)	1-year Growth
1	United States	328.0	36.7%
2	Nigeria	184.1	705.5%
3	Mozambique	92.3	821.2%
4	Ireland	76.0	265845.9%
5	Italy	73.6	-62.1%
6	United Kingdom	72.3	-24.5%
7	Spain	72.1	913.3%
8	Australia	37.3	445.1%
9	Seychelles	16.7	-36.7%
10	United Republic of Tanzania	13.7	-22.1%
Total Imports		1,092.8	49.2%

Source: Quantec, 2012

Imported components and materials are still a major contributor to South Africa’s boat building industry—59 percent of the market is dependent on imported materials. A large portion of the industry relies heavily on products dealing with technological and electrical components. South Africa has made an enormous effort to upgrade their boat-building industry and to educate those taking part in the industry.

South Africa’s boat-building industry faces challenges including outdated materials and processes, as well as lack of capacity to make large and complex tools and molds.

Exports

The United States was South Africa’s largest market for pleasure exports in 2011, with a value of ZAR 328 million. Nigeria and Mozambique rank second and third valued at ZAR 184 million and ZAR 92 million respectively. The United States was also the largest destination market for imports in this sector in 2011, valued at ZAR 82 million. Canada and New Zealand were ranked second and third valued at ZAR 17 million and ZAR 16 million, respectively

Export of Ships, Boats, & Other Floating Structures (2011)			
Rank	Source Market	Value (ZAR Millions)	1-year Growth
1	United States	82.1	34.2%
2	Canada	18.7	-1.9%
3	New Zealand	17.0	7607.0%
4	China	15.7	-4.1%
5	France	15.1	-13.7%
6	United Kingdom	12.1	57.5%
7	Thailand	10.7	70.9%
8	Australia	8.7	98.6%
9	Netherlands	8.3	-98.3%
10	South Africa	8.3	-39.0%
Total Exports		216.8	-69.5%

Source: Quantec, 2012

Yachts, pleasure, sports vessels, rowing boats, canoes were South Africa's largest export in 2011 valued at ZAR 771 million. Passenger and goods transport ships, boats (ZAR 187 million) and special purpose ships, vessels (ZAR 51 million) were ranked second and third, respectively.

Domestic Builders

South Africa's boat-building sector produces a variety of high-quality boats. Around 85 percent of South Africa's boat builders are located in the Western Cape. The industry is characterized by a number of small entrepreneurs and dominated by a few large companies. The Western Cape sector growth is expected to reach 10 percent per year between 2008 and 2015, representing approximately 0.2 percent of the Province's GDP. However, over 90 percent of the production is export-based, making it a strong contributor to trade balance. There are over 40 boat-building yards in Cape Town supported by a wide range of supply and post-production services.

Trade Events

Cape Town International Boat Show

October 10–12, 2014 • Cape Town, South Africa • capetownboatshow.com

Johannesburg Boat and Lifestyle Show

August 2014 • Johannesburg, South Africa • jhbboatshow.co.za

Associations

- Marine Industry Association of South Africa, miasa.co.za



Spain

Overview

In 2012, Spain had a GDP of USD 1.4 trillion and a population of 47.4 million people. Spain is the fifth largest economy in the European Union and was the 15th largest importer in the world in 2012. Spain entered into a recession in 2008 from which it has not yet emerged. The GDP growth rate was negative in 2012, dropping by 1.4 percent. The GDP is predicted to decrease by 1.3 percent in 2013, but expected to start recovering by 0.5 percent in 2014.

Market

In the first reporting period (between January and June) of 2012, 2,760 boats were registered, an 8.7 percent decrease from the same period in 2011, when 3,023 boats were registered. The global economic crisis has impacted the marine industry in Spain and has negatively impacted all sectors of the marine industry with the exception of boat rentals and small pleasure boats.

It does, however, bode well for the boating industry that Spain has 7,268 kilometers of coast, a warm-temperate climate, and one of the largest tourist industries in the world.

Current Market Trends

Demand is currently growing for boats measuring less than 8 meters. In the first six months of 2012, smaller vessels accounted for 88 percent of the total market. On the other hand, vessels larger than 8 meters represented 2 percent of the total market. In the first half of 2012, 2,466 boats smaller than 8 meters were registered, a decline of 9 percent compared to the same enrollment period in 2011. Boats ranging from 8–12 meters remained at a constant level and represented 9 percent

Statistics

Capital: Madrid
Population: 47,370,542 (est. 2013)
GDP: USD 1.4 trillion
Currency: Euro (€)
Area (total): 505,370 km²
(land): 498,980 km²
(water): 6,390 km²
Coastline: 7,268 km
Language: Spanish

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of the total market. Registration of boats 12–16 meters decreased by 18 percent, while registration of boats over 16 meters decreased by 35 percent. These changes are largely due to the current economic crisis.

However, certain segments of the industry saw registration growth from 2011–12, including boats between 8–12 meters (up 0.4 percent), semi-rigid inflatable boats (up 4.97 percent) and jet skis (up 2 percent).

Geographic location of boat registrations held relatively constant over the last year, with only a 2 percent decline in Barcelona, Cadiz, Girona, and A Coruna. Barcelona represents 15.5 percent of the total market.

Small Pleasure Boats

Jet skis and small pleasure boats seemed to be the least affected by the economic downturn. The market demands more affordable, smaller-size nautical transportation. Demand increases during the summer, when the rental market is strong throughout the Spanish coast.

The small pleasure boat segment is one of the most promising segments within the industry with 88 percent of the Spanish fleet being composed of boats under 8 meters. As many businesses see a growing demand of those who can afford to buy a small boat, the boating industry is also beginning to shed the elitist image of pleasure boats to attempt to reach the largest possible consumer base.

Market Entry

The Spanish Marine Trade Association (ANEN, anen.es), has announced that the Council of Ministers of Spain has done away with the matriculation tax on leisure boats operating for charters.

Until now, leisure boats used for charter used to pay up to 33 percent in tax: a 12 percent registration tax (for boats over 15 meters in length) coupled with 21 percent VAT.

The “tax package” announced, comprises the elimination of the 12 percent tax on leisure boats or nautical sport craft, new or used, dedicated exclusively to charter activities and above 15 meters in length. It follows the recent announcement that France will impose VAT on charters. Spain has traditionally been the only country in the region to apply not only VAT but also this special registration levy.

“The involvement and support that we have received the past few years from Spanish Merchant Marine, has been fundamental in the achievement of this change,” said Carlos Sanlorenzo, ANEN’s General Secretary. “With the assistance of the current team managed by Rafael Rodriguez Valero, the Tax Ministry has approved the elimination of matriculation tax for nautical charter, hence understanding that not to penalize the activity will bring forward greater benefits for the economy beyond the collection of a tax,” Sanlorenzo added.

ANEN explains in a statement that the matriculation tax will still be applied to pleasure boats over 8 meters intended for private use, however, as a result of the changes applied to the charter sector, “We understand that undoubtedly it will be a reference to continue modifying taxation in our industry and adapt our regulation to that of our neighboring countries.”

In Spain, the recreational boating industry employs 107,434 (direct and indirect) and generates €5.69 billion in net added value (as reported in 2012).

The Spanish charter industry is primarily based in the Balearics. The 12 percent registration tax has traditionally acted as a deterrent for international charter players to operate non-Spanish fleets in Spanish waters. The elimination of this tax opens business opportunities in the larger (15+ m) charter vessel segment.

Trade Events

Barcelona Boat Show

September • Barcelona, Spain • bit.ly/1eEdPf9

One of the top three boat shows in Europe, in terms of both quality and attendance.

Associations

- Association for the Pleasure Boat Industry (A.D.I.N.), adin-scs.es/?lang=en
- National Association of Nautical Companies (ANEN), anen.es
- Spanish Association of Nautical Clubs and Marinas (ACEN), aeclubesnauticos.com



Sweden

Overview

The Swedish leisure boating market is a market with opportunities for involvement by U.S. firms of all sizes. With countless lakes, rivers and canals, Sweden is exceptionally well placed for utilizing leisure boats. The size of the market and the players makes it an ideal market for small to medium sized enterprises wishing to internationalize.

Sweden has more leisure boats per capita than almost any other country in the world. In Sweden, the number of adults per leisure boat is around eight. Only our Nordic neighbors Finland, Denmark and Norway, as well as New Zealand, have as many or more boats per person. By way of comparison there are 18 people per boat in the United States, 40 in Holland, 130 in England, 185 in Germany and 450 in Japan. Sweden has over 3,200 kilometers of coastline, extending from Haparanda in the north to Svinesund in the west. Including all the inlets and islands, the coastline is 8,000 km long, which is one-fifth of the way round the world. Sweden has some of the world's most extensive archipelagos comprising more than 60,000 islands. The Stockholm Archipelago alone has 30,000 islands. Inland, there are 95,000 navigable lakes and 1,000 km of canals. Over 8.5 percent of the country's surface is covered by lakes and watercourses.

Market

A survey on boating conducted in 2010 reveals that Swedish households with members aged between 20–74 own approximately 881,000 leisure boats. The leisure boats are divided between categories as seen in the following table. About 83 percent of all boats are made of glass-reinforced plastic (GRP), 10 percent are wooden boats and just over 3 percent are made of aluminum.

Statistics

Capital: Stockholm
Population: 9,119,423 (est. 2013)
GDP (est.): USD 526.2 billion (2012)
Currency: Swedish krona (SEK)
Area (total): 450,295 km²
(land): 410,335 km²
(water): 39,960 km²
Coastline: 3,218 km
Language: Swedish

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Percent of Boats by Type (2010)	
Type	Percent
Canoes & kayaks	6.0
Dinghies & rowboats with or without motors	18.0
Open boats with motors under 10 hp	18.4
Motor boats with motors of at least 10 hp without cabin	32.0
Sailboats & dinghies without sleeping accommodation	2.6
Sailboats with temporary sleeping accommodation	2.2
Motorboats with sleeping accommodation	13.6
Sailboats with sleeping accommodation	7.2

Around 19,100 boats and 12,000 outboard motors were sold in Sweden in 2011, including 13,000 small boats, 5,700 motorboats, and 400 sailboats. Approximately 3,700 boats worth USD 115 million were exported. The largest export markets for Swedish boats are Norway, Sweden, Finland and Germany. Around 5,100 boats at a value of USD 261 million were imported. These came mainly from Finland, Norway, the United States, and Poland. Approximately 8,200 boats valued at USD 284 million were manufactured in Sweden in 2011, including approximately 7,500 small boats, 450 motorboats, and 250 sail boats.

The Swedish leisure boating market shows opportunities on many fronts due to the maturity and sophistication of the market itself and the surrounding supporting industries and networks. However, while the market allows for a wide range of possible opportunities, these factors similarly provide a steep level of domestic and international competition within the local market.

Best Prospects

The Swedish leisure boating industry's complexity and maturity means that there are a multitude of areas where U.S. firms can enter the market.

In recent years, the leisure boating industry in Sweden has been growing as a popular hobby among all ages. With a country so naturally encouraged through its geographical makeup to take up activities on the waters, the leisure boating industry has seen an increase in activity across the board. As a result, leisure boats of all types have been growing in popularity from long cruiser yachts for holidays on the waters, to the smaller pleasure rides for the Sunday trip. The resulting prospect for U.S. firms wishing to enter the Swedish market is a range of opportunities related to both the growing interest in sailing and the relating industries.

Furthermore, in Sweden, leisure boats designed for longer trips number well over 200,000. This provides possibilities for firms specializing in providing products and services for comfort and accommodation on the sea to enter the market.

Key Buyers

Kallhälls Marina, BåtAccenten and Marineonline.se are all retailers that sell boats and equipment to the leisure boat consumer. The firms offer a diverse portfolio of equipment from a number of international suppliers.

The Swedish buyers are very focused on procuring quality products and will be happy to utilize a U.S. supplier, if the quality of the product matches the required standards.

While the above mentioned companies are examples of key buyers in their respective business models, they only represent a few of many potential buyers in the Swedish market. The specific possibilities for international companies wishing to enter the Swedish market would as always have to be determined on a case-by-case basis.

Competitors

Hallberg-Rassy is one of the largest producers of leisure boats on the Swedish market. The firm produces a range of yachts which vary in their intended use, from large long sailing cruisers, to the small family Sunday trip. In 2010, Hallberg Rassy won European Yacht of the Year 2010 in the luxury cruiser category for its Hallberg-Rassy 372. The company is best known for its centre cockpit boats, but the majority of their boats produced are aft cockpit boats, and this was the largest ever built.

Nimbus Boats is one of Scandinavia's leading manufacturer of leisure boats for cruising and sport. Nimbus is one of the foremost and most respected boatbuilders in Europe. In 2009, Nimbus Boats won the Best Environmental Motorboat award in Sweden with the Nimbus 27 Nova S.

Market Entry

The many manufacturers of both leisure boats and sporting boats in Sweden provide ample opportunity for market entry though becoming a supplier to one of these firms. The U.S. Commercial Service in Stockholm offers a range of services that can help U.S. firms find the right companies for potential business.

Another option is partnering with, or selling to, one of the various distributors around Sweden. With over 800,000 boats, there is a constant demand for sailing and boating equipment.

The Swedish leisure boating industry complies with EU regulations for the most part. As in other Scandinavian countries, a more general limitation is the natural size of the market. As Sweden is a country of only 9.5 million people, it may be wise to consider entering multiple

Scandinavian countries. Often, any market issues and obstacles found will depend on the product sought sold, and will have to be dealt with in a case-by-case basis.

Trade Events

The International Boat Show

January 31–February 9

Allt För Sjön

March 1–9, 2014 • Stockholm, Sweden

Associations

- Båtbranschens Riksförbund (SweBoat, The Swedish Leisure boat industry association),
sweboat.se/this-is-sweboat.aspx
- SeglarFörbundet (Swedish Sailing Federation),
svensksegling.se/ToppGenvagar/InEnglish/
- Svenska Kryssarklubben (Swedish Cruising Association),
sxk.se/welcome-swedish-cruising-association



Taiwan

Overview

Taiwan is the largest yacht manufacturing location in Asia and seventh largest globally, with more than 20,000 luxury craft constructed on the island now cruising the world's oceans. Taiwan's marine sector is well-developed and competitive in the areas of yacht and ship construction. Its domestic yachting leisure industry is nascent as rules and regulations are being amended to better allow the marine leisure lifestyle. U.S. firms may find opportunities in marina design and operation and in supplying parts and expertise to Taiwan's yacht builders. U.S. yacht sellers may begin to see opportunities as the Taiwanese marine-oriented lifestyle begins to develop.

Market

Taiwan's yacht building revenues more than doubled from 2003 to 2008, while the number of yachts produced decreased slightly during the same period, reflecting Taiwan's trend towards building bigger, more expensive yachts. Recent years, however, have seen a reversal of this trend with an increase in the number of smaller yachts being built. The recent global economic downturn is taking a toll on yacht orders from Taiwan.

U.S. exporters will find opportunities to supply the manufacturing sector with marine products or services. Taiwan yacht production ranks number one in Asia and number seven in the world. The industry is highly concentrated: 80 percent of Taiwan's yachts manufactured in Kaohsiung, and 90 percent of these are exported from Kaohsiung harbor. There are 35 yacht manufacturers in Taiwan, and 19 of them are located in Kaohsiung; good weather, close proximity to an airport and harbor, and a strong steel and metal processing industry all make Kaohsiung a highly-attractive location for the industry.

Statistics

Capital: Taipei
Population: 23,299,716 (est. 2013)
GDP (est.): USD 474 billion (2012)
Currency: New Taiwan Dollar
Area (total): 35,980 km²
(land): 32,260 km²
(water): 3,720 km²
Coastline: 2,007 km
Language: Chinese

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Best prospects include:

- Engines and generators
- Steering control systems
- Air conditioning systems
- Vacuum and marine toilet systems
- Sprinkler systems
- Stabilizers
- Bow and stern thrusters,
- Paint
- Water makers
- Hi-test chain
- PVC foam
- Search lights
- Other deck hardware

Market Entry

Most new-to-market exporters entering Taiwan begin by finding a local partner to serve as an agent, distributor, and/or representative. Agents are the most common partnerships used by foreign firms to gain their initial foothold in Taiwan. The vast majority of Taiwan firms are small and medium sized enterprises (SMEs). They are active in trading and manufacturing and offer a large pool of prospective trade partners that can capably represent U.S. companies in Taiwan.

Taiwan's banking and international remittance systems are well developed, and there are no foreign exchange regulations that would significantly hamper a U.S. exporter from receiving payment for goods shipped and services provided. Irrevocable letters of credit are widely used and "L/Cs" from leading Taiwan financial institutions are usually confirmed by U.S. banks.

Trade Events

Taiwan International Boat Show

May 8–11, 2014 • Kaohsiung, Thailand • boatshow.tw/en_US/index.html

Turkey

Overview

Turkey is surrounded by water on three sides: the Aegean to the west, the Black Sea to the north and the Mediterranean to the south. Additionally, the Marmara Sea, the Dardanelles and the Bosphorus straits are also located in Turkey. There are approximately 290 shore facilities on Turkey's 8,140 km (nearly 5100 miles) of coastline; 165 ports can accommodate ships of over 500 gross tons.

Turkey has several large lakes (natural and artificial), as well as numerous small lakes and reservoirs. Turkey also has are numerous rivers, the longest of which, Kizilirmak, is 1,355 km (approximately 850 miles) in length. Lakes and rivers are not currently used for leisure boating (aside from limited rafting), mainly because the open sea is favored and widely accessible. Other reasons that river/lake boating is limited include the seasonal variation of river water levels, an unstable security situation in Turkey's eastern and southeastern regions (where the Euphrates and Tigris rivers are located), and low income/lack of infrastructure. However, officials are trying to encourage leisure boating in the Ataturk Dam reservoir and Lake Van area by arranging sailing races for very small sail boats.

Turkey ranks eighth in the world and first in the Europe in ship building with the help of its advantageous geographic situation. Additionally, Turkey is the sixth most visited country in the world and yachting has a remarkable share in this ranking.

The Turkish yacht industry has been developing a strong reputation since the 1960s, especially among European customers, with the traditional production of wooden gullets from Bodrum. Investors and high quality products made Turkey third in the world for mega yacht production. Currently, some companies located in Turkey are focusing on sophisticated engineering skills, instead of relying on a cheap work force to win business from more expensive markets in the West.

Statistics

Capital: Ankara
Population: 80,694,485 (est. 2013)
GDP (est.): USD 794.5 billion (2012)
Currency: Turkish Lira (TRY)
Area (total): 783,562 km²
(land): 769,632 km²
(water): 13,930 km²
Coastline: 8,140 km
Language: Turkish

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Turkish buyers are also very receptive to U.S. products. U.S. suppliers are known for their high quality and technologically sophisticated products.

Between 2004 and 2008, the leisure boat building sector enjoyed significant foreign investment with a number of the world's higher profile yacht builders looking to Turkey to set up production facilities either as subsidiary companies or by working with partner companies. Examples include Vitters, Nedship, Oyster and Perini Navi.

The growth in the yachting industry also brings the need for new marinas. In 1984, there were only two marinas in Turkey, with a total capacity of 435 yachts; however, today, 62 marinas with a capacity of 17,500 yachts exist, with further growth expected. Turkey is one of the fastest developing countries in this industry. Approximately 1 million yachts regularly tour the Mediterranean; Turkey's aim is to meet 5 percent of this demand, which adds up to approximately 50,000 yachts.

The same success seen in the yacht industry applies to the parts market, as well. Turkey, being one of the product centers for yachts, and also a major service provider for yachts traveling in the region, has also become a large parts consumer.

Market

Italy, the United States, and France are the largest suppliers in the Turkish leisure boat market. The UK and Germany are other important suppliers. The Undersecretariat of Maritime Affairs in Turkey cites greatest demand for leisure boats between 5–9 meters (16–30 feet) in length. Jeanneau, Bavaria, and Beneteau are the top suppliers in Turkey, followed by Fair Line, Azimut, Sea Ray, and Princess Yachts. Beneteau, Bavaria, and Grand Soleil are popular sail boats, whereas Fairline, Sun Seeker, Ferretti, and Azimut are popular in the motor yachts market. In the parts market, imports represent over 99 percent of the total market.

Dominance of the European products in the market is understandable due to the proximity of European companies, zero customs duties on imports from EU countries (as a result of the customs union agreement between Turkey and the EU), and most importantly, the nationalities of most buyers being primarily European.

Imported marine parts are led by inboard and outboard engines. Other import categories include radar apparatus, as well as other electronic products such as flow meters.

Some brands used both in the OEM and aftermarket industries include:

- Engines: Caterpillar (U.S.), MAN (Germany), IVECO (Italy)
- Engine control systems: Teleflex (U.S.), KOBELT (Canada), MORSE (UK)
- Generators: Kohler (U.S.)

- Deck equipment consisting of anchor windlass, steering engine systems, capstans, deck cranes, boarding ladders, gangways, etc.: DATA (Turkey), and some European brands
- Stabilizers: NAIAD (U.S.), Esmar (U.S.), Quantum (U.S.)
- Bow & stern thrusters: SIDE POWER (Norway)
- Pumps, boilers & blowers: GIANNESCHI (Italy), FEIT (Italy)
- Water makers & waste treatment systems: TECNICOMAR (Italy), HAMANN (Germany)
- Electric or vacuum toilets: SANIMARIN (France), TECMA (Italy), HEADHUNTER (U.S.)

Best Prospects

The strongest areas of Turkey's pleasure boat industry include several categories in which U.S. firms can position themselves as suppliers:

- Superyacht (over 50 feet): The super yachts and mega yachts are custom designed and custom manufactured according to the needs of the customers, in specialized boat yards.
- Pleasure Craft (up to 50 feet): Turkey specializes in building super yachts (24–40 meters long) and mega yachts (40 meters and longer), and currently ranks third in the world for mega yacht building.
- Pleasure Boat Accessories: There is significant production in some parts, such as generators used for boats, and deck equipment of anchor windlass, steering systems, capstan, deck cranes, boarding ladders, gangways, etc.
- Luxury Yacht Charters: There are many private companies serving luxury yacht charters.

Best Opportunities for U.S. exporters include:

- Yachts of up to 24 meters (approximately 80 feet) in length are primarily imported, since there is limited local production of small leisure boats.
- Pleasure Boat Parts and Accessories outside of the categories manufactured in Turkey, both for the consumer market and the boat building manufacturer market.

Competitors

Modern yacht production is relatively young in Turkey; however, industry benefits from the high quality and cheaper labor force, resulting in very competitive prices and more foreign firms transferring production to Turkey. Yacht producers are spread around the country, continuing their production in small facilities. Most builders have been involved in the boating business for generations; however, in the last decades they have converted their family production facilities into more modern production facilities, and commenced exporting to other countries, such as the United States, Netherlands, Germany, Italy, Greece, and France. Production lines grew tremendously from classic to modern product lines. Depending on the order, these facilities can also provide CE marking, which is very important for sales to Europe.

A few years ago, a yacht produced in Antalya was selected as the “third best yacht” in the world at the Monaco International Boat Show.

Market Entry

Regulations of the previous Turkish governments promoting deep-sea ships also attracted interest in yacht production and local producers became more successful in the production of yachts for foreign markets.

Turkey's January 1, 1996, accession to the European Union's customs union resulted in zero duties for imports from the EU countries, and has also led to general reductions in duty rates assessed on non-EU third-country imports. Because of the same agreement, products imported from non-EU countries need to be checked by the Turkish Standards Institute, and this procedure takes time.

All products, both imported and locally manufactured, are subject to an additional 18 percent value-added tax (VAT). VAT is calculated based on the CIF value for imported products. Additionally, there is another tax of 8 percent (a Special Consumption Tax) on yachts sales.

Both production and imports of boats are subject to CE marking, except the boats that are for personal use. In this case, owners are forbidden to sell the boats bought for personal use for minimum five years. Additionally, with boat registration under a company name, a CE mark is not required.

Trade Events

Eurasia Boat Show

Istanbul, Turkey • cnravrasyaboatshow.com

Shop & Miles Boat Show

Istanbul, Turkey • boatshow.com.tr

Antalya Boat Show

Antalya, Turkey • anfas.com.tr

International Bodrum Yacht Show

Istanbul, Turkey • interteks.com

Associations

- Turkish Chamber of Shipping, denizticaretodasi.org
- Federation of Yacht and Boat Industries (YATEF), yatef.org.tr



United Kingdom

Overview

In the 12 months leading up to September 2013, 5.8 percent of UK adults participated in at least one type of boating activity, slightly down from 5.9 percent in 2012. In the UK, 2.8 million adults are estimated to participate in boating activities and 754,000 of UK households own a boat/craft (approximately 2.8 percent of UK households). Canoes, the lowest cost to purchase, are the most likely type of craft to be owned.

In the 12 months leading up to September 2013, 22.7 percent (11.2 million) UK adults participated in at least one type of water sport, down from 25.0 percent in 2012.

The South West of England, Wales and Northern Ireland remain the residential areas with the highest levels of participation in boating and watersport activities, but there has been negligible growth in these regions.

Market

The UK leisure, superyacht, and small commercial marine industry reports significant increases in business performance trends from May to November 2013, compared to the same period a year ago. According to a survey conducted by the British Marine Federation (BMF) published in December 2013, 41 percent of their members experienced an increase in business over the last six months, while 17 percent had a decrease, creating a net balance of +24 percent. This is a significant improvement from the last survey conducted in May 2013. However, there is a net balance of -2 percent of the BMF members surveyed that experienced lower profits (36 percent reported higher profits and 38 percent lower profits).

These improvements are being reported across the new build, aftermarket/refit, and services for the superyacht, small commercial, and leisure boating sectors. Although the superyacht and small commercial sectors have experienced the highest growth, it is especially noteworthy that for the first time since November

Statistics

Capital: London
Population: 63,395,574 (est. 2013)
GDP (est.): USD 2.441 trillion (2012)
Currency: Pound Sterling (£/GBP)
Area (total): 243,610 km²
(land): 241,930 km²
(water): 1,680 km²
Coastline: 19,717 km
Language: English

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2011, the leisure boating sector is seeing a slightly positive trend. BMF members are overwhelmingly optimistic about the marine industry's prospects for the next 6 months, with 41 percent perceiving it as "excellent/good" and 47 percent "OK."

Business Performance

The aftermarket/refit and services market continues to perform ahead of the new build market, with both showing improvement. For aftermarket/refit, 33 percent of companies surveyed have experienced a higher business performance with only 12 percent stating a decrease. For services, 36 percent rate it higher and 14 percent lower, and for new build 34 percent report it higher and 22 percent lower.

Analyzing these trends over time, aftermarket/refit over the last six months compared to this period a year ago shows a net balance of 21 percent compared to +16 percent in May 2013 and +5 percent in November 2012. Services report a more positive trend than the last survey with a net balance of +22 percent which compares to +13 percent in May 2013, +3 percent in November 2012 and +7 percent in May 2012.

Leisure Market

The leisure new build market is performing lower than other markets, but it is growing for the first time since 2011. Of the BMF members surveyed, there were 3 percent more members experiencing increased performance over a year ago—compared to May 2013 and November 2012, when 11 percent and 19 percent more members reported a decrease, respectively

Leisure aftermarket/refit and services have likewise experienced a rise in trends. There are now 21 percent more BMF members in the leisure aftermarket/refit sector reporting growth (up 6 percent from May 2013 and 21 percent from November 2012). In the leisure services sector, increased business is reported by 20 percent more members, up 13 percent from May 2013 and 25 percent in November 2012.

Superyacht

The superyacht new build trends are proving buoyant, with a net balance of +23 percent between members reporting increased/decreased performance, up from 11 percent in May 2013 and +13 percent reported in November 2012.

Increasingly, more BMF members in the superyacht aftermarket/refit markets continue to see increased business—31 percent more of them in the December 2103 survey compared to 15 percent in May 2013 and 8 percent in November 2012. Those in the service market report a similarly positive trend with 32 percent more of them experiencing more business compared to 21 percent in both May 2013 and November 2012.

Trade Events

The London Boat Show

January • London, England

PSP Southampton

September 12–21, 2014 • Southampton, England



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For more information about how we can help you, please contact one of our trade specialists. For detailed contact information, please visit export.gov/usoffices.

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